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Under-referred, under-reasoned, under-resourced? Re-examining EU design law before the Court of Justice and General Court

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Abstract:

EU design law, as enacted by the Designs Directive and Community Design Regulation, has now been in effect in one form or another for over 14 years. However, despite the bold innovations, complexities and importance of the EU design regime, the subsequent development of EU design law has attracted relatively little detailed examination. Against the backdrop of growing interest in the process of ‘Europeanisation’ of IP law generally, this article will review how - from an institutional and methodological perspective - design law has developed before the Court of Justice of the European Union and the General Court. Institutionally, it will demonstrate that a major role reversal has taken place between the Court of Justice and General Court in terms of leadership between the two EU-level courts in interpreting the new design regime. In terms of judicial methodology, through close re-examination of the General Court’s case law and the underlying intentions and objectives for the EU design regime, this article will identify significant difficulties in the General Court’s methods. Reflecting on possible explanations for the severely reduced role of the Court of Justice in the field of designs to date, this article will address the consequences of the General Court’s methodological difficulties for the legitimacy of the General Court’s rulings, their place in the overall EU design jurisprudence and the implications for the process and effectiveness of harmonisation at Community and national levels. Reviewing potential causes of the deficiencies in the General Court’s approach – including institutional shortcomings and constraints – this article will conclude by looking at impact of ongoing procedural and institutional reform at the General Court.

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1. Introduction

Recent decades have been dubbed ‘the age of Europeanisation’ in IP law.¹ The methodological and institutional aspects of this process of Europeanisation are, however, said to have received little sustained consideration.²

This article aims to contribute to an increasing body of work by Pila, Ohly, Geiger and others examining these matters,³ focussing here specifically on the under-researched area of designs. While considerable recent commentary has been directed to the expansive harmonising role played by the Court of Justice of the European

¹ A. Ohly, ‘Introduction: The Quest for Common Principles of European Intellectual Property Law - Useful, Futile, Dangerous?’ in A. Ohly (ed) *Common Principles of European Intellectual Property Law* (Tübingen: Mohr Siebeck, 2012), p3.

² J. Pila, ‘Intellectual Property as a Case Study in Europeanization: Methodological Themes and Context’ in A. Ohly and J. Pila (eds) *The Europeanization of Intellectual Property Law* (Oxford: Oxford University Press, 2013), pp3-4.

³ For example: Ohly and Pila (eds) *The Europeanization of Intellectual Property Law* (2013); C. Geiger (ed) *Constructing European Intellectual Property - Achievements and New Perspectives* (Cheltenham: Edward Elgar, 2013); E. Rosati, *Originality in EU Copyright - Full Harmonization through Case Law* (Cheltenham: Edward Elgar, 2013); C. Geiger (ed) *La Contribution de la Jurisprudence à la Construction de la Propriété Intellectuelle en Europe* (Strasbourg: CEIPI/LexisNexis/Université de Strasbourg, 2013).

Union in copyright and trade marks and, with the forthcoming Unitary Patent, there is also great interest in the present and future workings of Europeanised patent law, EU design law has in contrast attracted far less attention.

Registered design protection was harmonized across the EU by Designs Directive 98/71/EC (the ‘DD’); a new unitary pan-EU design right, the Community design, was also introduced in registered and unregistered form by Community Design Regulation 6/2002/EC (the ‘CDR’).⁴ Registered designs are powerful IP rights, conferring patent-strength monopoly rights for up to 25 years. Although prompting high-profile litigations, most notably the dispute between Samsung and Apple played out across European jurisdictions, compared to other IP rights there has been surprisingly little analysis of the state of the EU design regime since its enactment. This is unexpected given the bold new direction of, and uncertainties that surrounded, the new regime. With now 14 years of EU design protection in force in one form or another, it is time for a closer look at this much less examined area of Europeanised IP law.

Acknowledging the enormous importance of the role played by the Article 267 preliminary reference procedure in IP law,⁵ this article will focus on how EU design law has developed before the EU-level courts. It will examine, from an institutional perspective, how the EU-level case law has developed between the Court of Justice (‘CJ’) and General Court (‘GC’) and, from a methodological perspective, the way in which the GC in particular has tackled interpretation of the many new concepts with which it has been faced. Viewed afresh from these institutional and methodological perspectives, it will be argued that, between the EU-level courts at least, the present state of design case law is far less satisfactory than the relative lack of detailed commentary tends to suggest.

While debate in other fields of IP has tended to focus on over-interventionism on the part of the CJ, in design law new and different problems emerge. As this article will explain, designs have taken a different path to other IP rights before the EU-level courts. In institutional terms, there has been a major role reversal between the CJ and GC, the GC acting effectively alone between the two EU-level courts in interpreting the new provisions of the CDR and DD. On the most challenging issues which have come before it, however, in judicial methodological terms the GC’s case law is marked by an exceptional dearth of reasoning. In its most recent decisions, the GC has also begun to show a worryingly cavalier disregard for the legislative texts. Substantively, these matters have led to little remarked-upon but significant departures from the scheme for design protection intended by the EU legislators. Institutionally, they pose challenges for the legitimacy of the GC’s judgments, for their place in the overall EU design jurisprudence and, given the GC’s particular precedential status for Community designs, for the coherence and progress of harmonisation at Community and national levels.

This article will begin by outlining the key provisions of the EU design regime. It will then investigate the role reversal between the CJ and GC which has taken place in design law. Focusing on the GC, it will go on to examine closely the judicial methodology adopted by the GC in interpreting the CDR and DD and how far the GC has engaged (or not engaged) with the underlying legislative intentions and objectives of the EU design regime. It will conclude by addressing the wider structural and systemic consequences of the GC’s approach and possible contributing factors – including institutional shortcomings and constraints – which may lie behind the inadequacies in the GC’s case law.

⁴ Directive of the European Parliament and of the Council (98/71/EC) of 13 October 1998 on the legal protection of designs; Council Regulation (6/2002/EC) of 12 December 2001 on Community Designs. The deadline for transposition of the DD was October 2001 (although a number of Member States were late); unregistered Community design protection became available from March 2002 and the first registered Community designs were granted with effect from April 2003.

⁵ J. Pila, ‘Intellectual Property as a Case Study in Europeanization: Methodological Themes and Context’ in Olhy and Pila (eds) *The Europeanization of Intellectual Property Law* (2013), p20.

2. Background: the EU design regime

In structural and institutional terms, the new EU design regime looked familiar. Based on the same two-tier model as the EU registered trade mark system, it was to operate at two levels: the DD harmonising national registered design laws; and the CDR creating the Community design, a new unitary EU-level right available in registered and unregistered form effective across Member States.⁶ EU-level case law interpreting the CDR and DD was also to come about by two familiar routes: preliminary references from national courts to the CJ; and appeals against Community registered design decisions by OHIM, first to the OHIM Boards of Appeal, then to the GC and thereafter to the CJ. By either route, the CJ would be the ‘ultimate arbiter’ of the interpretation of the CDR and DD.⁷

This is, however, where the familiarity ended. Reflecting deep-rooted difficulties in situating the ‘discipline-hopping subject matter’ of design within the global IP framework and enacted against the backdrop of Member State national laws which could scarcely have been more divergent, the new EU design regime purposefully marked a complete break from existing models for design protection.⁸ In a ground-breaking move, the definition of protectable ‘designs’ was not to be dependent on aesthetics or functionality.⁹ Underpinning the CDR and DD was a new ‘design approach’, derived from an initial proposal from the Max Planck Institute and focused on the value of design as a marketing tool in the modern marketplace.¹⁰

Reflecting the new ‘design approach’, the substantive scheme of the CDR and DD was also entirely new. Described as ‘deceptively short, and full of obscurities, compromises and anachronisms’,¹¹ the relative brevity of the CDR and DD belie their complexity.

Adopting a purposefully broad definition, potentially protectable ‘designs’ were to exist simply in the ‘appearance’ of the whole or part of a ‘product’, ‘products’ being broadly defined to capture industrial items, works of craftsmanship and even intangibles such as graphic symbols.¹² To be protected, a design had to be ‘new’ and to

⁶ Strictly, the DD only ‘approximates’ national laws since some matters (ownership, procedure, remedies) were left to Member States. However, the requirements for protection, exclusions, infringement, defences and invalidation have essentially all been harmonised. As for trade marks, the common provisions of the CDR and DD are to be interpreted consistently, with CJ opinions interpreting the CDR equally applicable to the DD and vice versa: Hasselblatt commentary in G. Hasselblatt (ed) *Community Design Regulation (EC) No 6/2002 – A Commentary* (Munich: C.H. Beck, 2015), pp14 and 29.

⁷ L. Brazell, ‘Egyptian Goddess Inc v Swisa Inc: Is design law in the US and EU converging? The Egyptian Goddess faces up to the snake’ E.I.P.R. 2009, 31(11), 576-581, p576; D. Stone, *European Union Design Law* (Oxford: Oxford University Press, 2012), para 3.28.

⁸ U. Suthersanen, ‘Function, art and fashion: do we need the EU design law?’ Queen Mary University of London, School of Law, Legal Studies Research Paper No. 88/2011 (SSRN: <http://ssrn.com/abstract=1945142>, accessed 21 December 2015), p19; D. Musker, *Community Design Law – Principles and Practice* (London: Sweet & Maxwell, 2002), para Int-025. Dinwoodie highlights that, pre-harmonisation, no area of IP law was more disparate at national level: G. Dinwoodie, ‘Federalized Functionalism: The Future of Design Protection in the European Union’ 24 AIPLA Q.J. 611 (1996) p619, footnote 13.

⁹ G. Dinwoodie, ‘Federalized Functionalism: The Future of Design Protection in the European Union’ 24 AIPLA Q.J. 611 (1996), pp647-648.

¹⁰ Max Planck Institute, ‘Towards A European Design Law’ (copy provided by the Max Planck Institute and on file with the author) pp1, 6, 8-10 and 58-61 in particular; Green Paper on the Legal Protection of Industrial Design, Brussels, June 1991 III/F/5131/91-EN (‘Green Paper’), paras 1.4 and 5.4.1; Proposal for a European Parliament and Council Regulation on the Community Design, COM(93) 342 final-COD 463, Brussels, 3 December 1993 (‘Proposal for a Regulation’), paras 1.4 and 3.2. See also: A. Kur, ‘The Green Paper’s “Design Approach” – what’s wrong with it?’ E.I.P.R. 1993, 15(10), 374-378; Franzosi commentary p40, footnote 19 and Levin commentary, pp63-64 in M. Franzosi (ed) *European Design Protection – Commentary to Directive and Regulation Proposals* (The Hague: Kluwer Law International, 1996).

¹¹ D. Musker, *The Design Directive* (CIPA, 2001), author’s foreword, commenting on the DD.

¹² Articles 3(a) and 3(b) CDR/1(a) and 1(b) DD.

have ‘individual character’.¹³ A design would only be ‘new’ if no identical design or design differing ‘only in immaterial details’ had previously been made available to the public.¹⁴ A design would only have ‘individual character’ if the ‘overall impression’ it produced on the ‘informed user’ differed from the overall impression produced on such a user by any earlier publicly available design.¹⁵ In assessing individual character, the ‘degree of freedom of the designer’ in developing the design was to be ‘taken into consideration’.¹⁶

Aside from limited exceptions for confidentiality, abusive disclosures and a grace period, novelty and individual character were to be assessed against all publicly disclosed prior designs save only for disclosures which ‘could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community’.¹⁷ Protection was not to subsist in features of product appearance ‘solely dictated’ by technical function, certain forms of interconnection or in designs contrary to public policy or accepted principles of morality.¹⁸ Designs for ‘component parts’ of ‘complex products’ were only to be protected to the extent that features of the component visible in normal use displayed novelty and individual character.¹⁹

Different forms of design have different durations - 25 years from the date of filing for registered Community and national designs, but only 3 years for unregistered Community designs.²⁰ Whether an allegedly infringing design would fall within the scope of a protected design - registered or unregistered - was to be determined by the same ‘overall impression’ test as used in the assessment of individual character.²¹ Again, the ‘degree of freedom of the designer’ was to be ‘taken into consideration’.²² While registered designs were to confer an absolute monopoly, the Community unregistered design protected against copied infringements only.²³ A design could be declared invalid for lack of novelty or individual character and on various other grounds, including conflict with earlier unpublished designs and other earlier IP rights.²⁴

Early commentaries highlighted questions over almost all aspects of the new regime.²⁵ The language chosen for the exclusion for designs dictated by technical function was already well-known from domestic experience to be highly

¹³ Article 4(1) CDR/3(2) DD.

¹⁴ Articles 5(1) and 5(2) CDR/4 DD.

¹⁵ Article 6(1) CDR/5(1) DD.

¹⁶ Article 6(2) CDR/5(2) DD.

¹⁷ Article 7 CDR/6 DD.

¹⁸ Articles 8 and 9 CDR/7 and 8 DD.

¹⁹ Article 4(2) CDR/3(3) DD. ‘Normal use’ means ‘use by the end user, excluding maintenance, servicing or repair work’: Article 4(3) CDR/3(4) DD.

²⁰ Articles 11 and 12 CDR/10 DD. Community unregistered design protection commences as at the date upon which the design is first made available to the public within the Community.

²¹ Article 10(1) CDR/9(1) DD.

²² Article 10(2) CDR/9(2) DD.

²³ Article 19 CDR/12 DD. Defences covering, in particular, private and non-commercial acts, acts done for experimental purposes and reproduction for the purpose of making citations and teaching are at Article 20 CDR/13 DD.

²⁴ Article 25 CDR/11 DD.

²⁵ For example: V. Saez, ‘The unregistered Community design’ E.I.P.R. 2002, 24(12), 585-590; C-H. Massa and A. Strowel, ‘Community design: Cinderella revamped’ E.I.P.R. 2003, 25(2), 68-78; D. Musker, ‘Hidden meaning? UK perspectives on invisible in use designs’ E.I.P.R. 2003, 25(10), 450-456; G. Scanlan, and S. Gale, ‘Industrial design and the Design Directive: continuing and future problems in design rights?’ J.B.L. 2005, Jan, 91-112; U. Koschtial, U. ‘Design law: individual character, visibility and functionality’ IIC

ambiguous and capable of bearing divergent interpretations.²⁶ Central provisions – including critically important new concepts such as the ‘informed user’, ‘degree freedom of the designer’ and ‘overall impression’ – were also completely undefined. Given this high degree of normative uncertainty, preliminary rulings from the CJ were expected by commentators and practitioners alike.

3. The CJ and GC: an institutional role reversal

As it transpires, however, the CJ’s involvement in design law has been very limited indeed. Since the CDR and DD came into effect, as at the end of October 2015 only five preliminary references dealing with matters of substance on the scheme of design protection in the new EU regime had been decided by the CJ.²⁷ None of these tackled any of the most critical normative uncertainties. Instead, the focus has been on more ancillary matters. In the CJ’s first design decision, *FELA*, the Court addressed ownership of Community designs produced on commission;²⁸ in its second, *Celaya*, the Court confirmed the ability of a Community design owner to bring infringement proceedings against the holder of a later conflicting design.²⁹ In *Gautzsch Großhandel*, the CJ considered disclosure of a design for prior art purposes and for unregistered Community design subsistence, the burden of proof of copying in unregistered Community design infringement and various questions on remedies.³⁰ In *Karen Millen*, the CJ addressed the presumption of validity for unregistered Community designs and whether the comparison of overall impression should be against the prior art on a design-by-design basis or using a notional amalgam of features from various earlier designs.³¹ Most recently, in *Ford Motor Company*, the CJ confirmed that the ‘must-match’ spare parts defence at Art 110 CDR does not confer on the makers of replacement parts the right to use on their products the registered trade marks of the makers of the original design-protected parts.³² As at the time of writing, there have to date also been only two decisions on substantive design matters by the CJ in appeals

2005, 36(3), 297-313; T. Headdon, ‘Community design right infringement: an emerging consensus or a different overall impression?’ E.I.P.R. 2007, 29(8), 336-339.

²⁶ Similar language in pre-harmonisation UK law suffered from ‘notorious ambiguity’: J. Lahore, ‘The protection of functional designs: the amended proposal for a European Designs Directive’ I.P.Q. 1997, 1, 128-133, p129. See further: M. Howe, *Russell-Clarke & Howe on Industrial Designs* (8th edition) (London: Sweet & Maxwell, 2010), paras 2.025-2.030; U. Suthersanen, *Design Law – European Union and United States of America* (2nd edition) (London: Sweet & Maxwell, 2010), paras 6-011 to 6-015; Stone, *European Union Design Law* (2012), paras 6.02-6.31.

²⁷ There have also been two decisions in preliminary references concerning cumulation of copyright and design protection under the CDR/DD: *Flos SpA v Semeraro Casa e Famiglia SpA (Assoluce - Associazione nazionale delle Imprese degli Apparecchi di Illuminazione, intervening)* (Case C-168/09) [2011] E.C.D.R. 8; and *Cassina SpA v Alivar Srl, Galliani Host Arredamenti Srl* (Case C-198/10, 9 September 2011, unreported). While *Flos* is highly controversial, neither of these references addressed the substance of the new scheme of EU design protection itself. A further reference on copyright cumulation, *Vitra Patente AG v High Tech Srl* (Case C-219/09), was withdrawn in light of *Flos*.

²⁸ *Fundación española para la innovación de la Artesanía (FELA) v Cul de Sac Espacio Creativo SL* (Case C-32/08) [2009] E.C.D.R. 19; ‘Principal only gets Community right in commissioned design if assigned’ EU Focus 2009, 258, 19-20.

²⁹ *Celaya Empananza y Galdos Internacional SA (CEGASA) v Proyectos Integrales de Balizamientos SL* (Case C-488/10) [2012] E.C.D.R. 17; R. Sciaudone, ‘Community design: prior in time, stronger in right’ J.I.P.L.P. 2012, 7(6), 401-403.

³⁰ *H Gautzsch Großhandel GmbH & Co KG v Münchener Boulevard Möbel Joseph Duna GmbH* (Case C-479/12) [2014] E.C.D.R. 14; H. Hartwig, ‘Unregistered and registered Community design rights: further guidance expected from CJEU’ J.I.P.L.P. 2013, 8(3), 241-244; ‘Designs: Interpretation of the Community Designs Regulation’ C.I.P.A.J. 2014, 43(3), 186-187.

³¹ *Karen Millen Fashions Ltd v Dunnes Stores* (Case C-345/13) [2014] Bus. L.R. 756; K. Mikeev and J. Tumbridge, ‘Karen Millen v Dunnes’ J.B.L. 2014, 8, 689-692; H. Atherton, ‘Case Comment: Karen Millen Fashions Ltd v Dunnes Stores and Dunnes Stores (Limerick) Ltd (Case C-345/13)’ E.I.P.R. 2015, 37(2), 111-115.

³² *Ford Motor Company v Wheeltrims srl* (Case C-500/14, 6 October 2015), [2016] E.C.D.R. 14.

from the GC.³³ Only one such appeal - *Grupo Promer* - involved any new interpretative activity on the part of the Court and even then (as discussed further below) addressed only relatively limited issues on the 'informed user' and aspects of the process of comparing competing designs.³⁴

In all, this makes a grand total of seven substantive design decisions from the CJ in 14 years. Although there has been a substantial volume of design litigation at a national level in this time,³⁵ in terms of preliminary references very few cases have been referred and the questions put by national courts have only gradually begun to circle towards the key issues. In terms of appeals, the CJ has opined substantively on matters of interpretation effectively only in one case and even then only to a limited extent. At the time of writing, nothing in the pipeline of preliminary references and appeals currently pending before the CJ looks set to change this overall picture.³⁶

The contrast with the CJ's levels of activity on other IP rights is sharp. EU copyright law, although explicitly only partially harmonised, generated 40 preliminary reference decisions in the period to 2014, 28 of those references having been filed in the period from 2007 to 2012.³⁷ The difference with the early years of the EU trade mark regime - the most natural comparator to the EU design system - is even more stark. In the 14 years after the Trade Mark Directive's entry into force, the CJ decided over 30 preliminary references on the substantive scheme of protection set out in the Directive and Community Trade Mark Regulation - more than six times as many preliminary references it has decided in the first 14 years of the EU design regime. Those trade marks preliminary references spanned almost all of the trade mark regime, from the requirement of graphic representation, distinctiveness and descriptiveness (including for a range of different non-conventional marks), through the exclusion of technical shape marks and repeated examination of all three separate grounds for trade mark infringement to defences and revocation. The CJ's judgments were marked by notable 'judicial breakthroughs',³⁸ its proactive approach even leading it to explicit and purposeful *contra legem* interpretation of key infringement provisions of the TMD and CTMR.³⁹ In the same time period, the CJ also handed down almost 20 judgments in substantive trade mark appeals from the GC - compared to the two such decisions handed down for Community designs - including a number of seminal judgments on shape marks, the highly disputed *BABY-DRY* decision and

³³ The CJ has also heard appeals on procedural matters (*Franssons Verkst der AB v OHIM, Lindner Recyclingtech GbmH (intervener)* (Case C-290/10 P, 9 September 2010, unreported); *Bell & Ross BV v OHIM, Klockgrossisten i Norden AB (intervening)* (Case C-426/10 P) [2012] 1 C.M.L.R. 31) and has summarily dismissed another appeal, *Erich Kastenholz v OHIM, Qwatchme A/S (intervener)* (Case C-435/13 P, 17 July 2014, unreported) for manifest inadmissibility and lack of foundation.

³⁴ *PepsiCo, Inc v Grupo Promer Mon Graphic SA* (Case C-281/10 P) [2012] F.S.R. 5. In its other substantive appeal decision, *Neuman, Galdeano del Sel and OHIM v Jos  Manuel Baena Grupo, SA* (Joined Cases C-101/11 P and C-102/11 P) [2013] E.C.D.R. 3, the CJ essentially repeated the relevant *PepsiCo* rulings on all decided matters; any other issues raised were procedural, were held to be based on a misreading of the decision under appeal or inadmissible.

³⁵ For example: H. Hartwig (ed) *Design Protection in Europe* (Cologne: Wolters Kluwer Deutschland GbmH), Volume 3 (2009) and Volume 4 (2012).

³⁶ As at end October 2015, the only preliminary reference currently pending before the CJ concerned the standing of licensees in design infringement proceedings: *Thomas Philipps GmbH & Co. KG v Gr ne Welle Vertriebs GmbH* (Case C-419/15). As at end October 2015, the CJ's only pending design appeals related to the GC's judgment in *Group Nivelles* (discussed further in section 4.5 of the main body of this article; appeal by OHIM (Case C-405/15 P); appeal by Easy Sanitary Solutions BV (Case C-361/15 P)). These appeals will afford an opportunity to correct the erroneous innovation on Art 7(1) CDR discussed further in the main text, but will not substantively enhance the CJ's case law on the core new concepts of the EU design regime.

³⁷ M. Favale, M. Kretschmer and P. Torremans, 'Is There an EU Copyright Jurisprudence? An Empirical Analysis of the Workings of the European Court of Justice' CREATE Working Paper 2015/07, August 2015 (<http://ssrn.com/abstract=2643699>, accessed 21 December 2015) and Modern Law Review (2015, forthcoming).

³⁸ S. Maniatis, 'Whither European Trade Mark Law - Arsenal and Davidoff: The Creative Disorder Stage' 7 Marq. Intell. Prop. L. Rev. 99 (2003), p99.

³⁹ *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (Case C-292/00) [2003] E.T.M.R. 42.

subsequent judgments retreating therefrom. Since then, the scale of the CJ's trade mark case law has moved one commentator to remark that 'it is sometimes tempting to think that national trade mark law within Europe is purely a construction of the CJEU'.⁴⁰ With well over 100 trade mark decisions from the CJ to date, both quantitatively and qualitatively, the CJ has at all times been at the forefront of the development of EU trade mark law.

In contrast, for the EU design regime it is the GC which, between the two EU-level courts, has taken the lead in having to tackle interpretation of the new concepts and provisions of the CDR and DD. Sitting one step down from the CJ at the apex of the Community design appeal structure, the GC's decisions are binding on OHIM.⁴¹ The GC's case law is therefore directly binding on the principal decision-making organs – OHIM and its Boards of Appeal – of the Community design system. The GC's case law is cited extensively in OHIM's design examination and invalidation guidance.⁴²

In the period to the end of October 2015, the GC had now delivered almost 35 decisions in substantive Community design appeals.⁴³ While not always dealing successfully with the issues in hand (as this article will go on to discuss), across this body of case law the GC has been the first of the two EU-level courts to have to deal with key points of normative uncertainty across the EU design regime.

In decisions preceding the appeal to the CJ in *Grupo Promer*, for example, the GC was the first EU-level court to tackle conceptualizing the 'informed user'; the GC has also addressed in more detail how the informed user perceives the overall impression created by a design and has considered evolving complexities such as the situation in which there may be more than one informed user of the relevant design.⁴⁴ On design freedom, the GC has ruled on what constitute relevant design constraints, confirmed the irrelevance to design freedom of aesthetic considerations and design trends and set out how design constraints affect the assessment of overall impression.⁴⁵ On overall impression and individual character, the GC has addressed how to identify the relevant 'product' by which to assess validity, developed a four-step test for assessing overall impression and confirmed as relevant or irrelevant a range of factors relied upon for or against contested designs, most particularly the relevance of 'saturation' of the design corpus in a crowded design field.⁴⁶ Well before the CJ decision in *Karen Millen*, the GC

⁴⁰ G. Dinwoodie, 'The Europeanization of Trade Mark Law' in Olhy and Pila (eds) *The Europeanization of Intellectual Property Law* (2013), p91.

⁴¹ Stone, *European Union Design Law* (2012), para 3.23.

⁴² OHIM, *Examination of Applications for Registered Community Designs* (version 1.0, 1 August 2015); *Examination of Design Invalidity Applications* (version 1.0, 1 February 2015) (both at <https://oami.europa.eu/ohimportal/en/manual-of-designs-practice>, accessed 21 December 2015).

⁴³ The GC has also disposed of two purely procedural appeals (*Franssons Verkstäder AB v OHIM, Lindner Recyclingtech GbmH (intervener)* (Case T-98/10, 10 May 2010, unreported); *Peter Reisenbel v OHIM, Dynamic Promotion Co. Ltd (intervener)* (Case T-53/10, 18 October 2011, unreported)) as well as deciding numerous procedural and evidential issues throughout its design case law.

⁴⁴ *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7; *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported); *Sphere Time v OHIM, Punch SAS* (Case T-68/10) [2011] E.C.D.R. 20.

⁴⁵ *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7; *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported).

⁴⁶ *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7; *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported); *Kwang Yang Motor Co, Ltd v OHIM, Honda Giken Kogyo Kabushiki Kaisha (intervener)* (Case T-10/08) [2012] E.C.D.R. 2; *Antrax It Srl v OHIM, The Heating Company (intervener)* (Joined Cases T-83/11 and T-84/11, 13 November 2012, unreported); *Bell & Ross BV v OHIM, KIN AB (intervener)* (Case T-80/10, 25 April 2013, unreported); *Danuta Budziewska v OHIM, Puma SE (intervener)* (Case T-666/11, 7 November 2013, unreported); *El Hogar Perfecto del Siglo XXI, SL v OHIM, Wenf International Advisers Ltd (intervener)* (Case T-337/12) [2014] E.C.D.R. 1.

had confirmed that the comparison with the prior art should be conducted on a design-by-design basis rather than by amalgamating features from different earlier designs.⁴⁷ The GC has also addressed the boundaries of what constitutes a protectable ‘design’ and how to interpret the representations used to depict protected designs on the register.⁴⁸ The GC has defined more precisely the concept of novelty and has considered various aspects of the assessment of validity for component parts of complex products.⁴⁹ The GC has addressed uncertainties in the interpretation of the invalidity provisions of the CDR, confirming their exhaustiveness and clarifying the rules on conflict with earlier rights in trade marks, copyright and prior unpublished designs.⁵⁰ On the prior art, the GC has also addressed the CDR’s grace period, has expanded on the CJ’s ruling in *Gautzsch* and (as discussed further below) has even gone so far as to engage in radical re-definition of the scope of the relevant art in certain cases.⁵¹

This *de facto* balance of leadership at the EU level between the CJ and GC is not simply a quantitative matter of the size and scope of the two courts’ relative caseloads. On the limited matters pertaining to the informed user and the comparison of competing designs considered by the CJ in the *Grupo Promer* appeal, the GC’s findings were upheld with little, if anything, added by the CJ in substantive terms.⁵² Otherwise, the GC has been working effectively without supervision from the CJ: not one of the other wide-ranging – and, in some instances, potentially highly controversial – rulings by the GC noted above has been considered by the CJ.

This is mostly because the GC’s decisions have not been appealed. However, in the two design appeals which have been heard, the CJ has taken a restrictive line on admissibility, thereby rejecting opportunities to take on a bigger interpretative role. In the *Grupo Promer* appeal, the CJ refused as inadmissible an appeal on the issue of design freedom on the ground that it constituted an impermissible challenge to the GC’s findings of fact.⁵³ There were, however, notable difficulties with both the GC’s articulation of the legal test for identifying relevant design constraints and with the GC’s apparent classification of the relevant facts in its application of that test; it is suggested here that there was accordingly scope for the CJ to review this aspect of the GC’s decision.⁵⁴ In both

⁴⁷ *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported).

⁴⁸ *Biscuits Poult v OHIM, Banketbakkerij Merba BV (intervener)* (Case T-494/12, 9 September 2014, unreported); *Sphere Time v OHIM, Punch SAS* (Case T-68/10) [2011] E.C.D.R. 20.

⁴⁹ *Erich Kastenholz v OHIM, Qwatchme A/S (intervener)* (Case T-68/11, 6 June 2013, unreported); *Kwang Yang Motor Co, Ltd v OHIM, Honda Giken Kogyo Kabushiki Kaisha (intervener)* (Case T-10/08) [2012] E.C.D.R. 2; *AIC SA v OHIM, ACV Manufacturing* (Case T-615/13, 20 January 2015, unreported); *Cezar Przedsiębiorstwo Produkcyjne Dariusz Bogdan Niewiński v OHIM, Poli-Eco Tworzywa Sztuczne sp. z o.o. (intervener)* (Case T-39/13, 3 October 2014, unreported).

⁵⁰ *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7; *Beifa Group Co Ltd v OHIM, Schwan-Stabilo Schwanbäuer GmbH & Co. KG* (Case T-148/08) [2010] E.T.M.R. 42; *Chen v OHIM, AM Denmark A/S (intervener)* (Case T-55/12) [2014] E.C.D.R. 2; *Beifa Group Co Ltd v OHIM, Schwan-Stabilo Schwanbäuer GmbH & Co. KG (intervener)* (Case T-608/11) [2013] E.T.M.R. 49; *Viejo Valle SA v OHIM, Etablissements Coquet (intervener)* (Joined Cases T-566/11 and T-567/11, 23 October 2013, unreported).

⁵¹ *Sphere Time v OHIM, Punch SAS* (Case T-68/10) [2011] E.C.D.R. 20; *Senz Technologies BV v OHIM and Impliva BV (intervener)* (Joined Cases T-22/13 and T-23/13) [2015] E.C.D.R. 19; *Cezar Przedsiębiorstwo Produkcyjne Dariusz Bogdan Niewiński v OHIM, Poli-Eco Tworzywa Sztuczne sp. z o.o. (intervener)* (Case T-39/13, 3 October 2014, unreported); *Group Nivelles v OHIM, Easy Sanitary Solutions BV (intervener)* (Case T-15/23, 13 May 2015, unreported).

⁵² *PepsiCo, Inc v Grupo Promer Mon Graphic SA* (Case C-281/10 P) [2012] F.S.R. 5. As noted by the Court of Appeal, on the issue of the informed user the CJ effectively simply endorsed the GC: *Samsung Electronics (UK) Ltd v Apple Inc* [2013] E.C.D.R. 2, [12]. On the two further issues considered substantively by the CJ (whether the informed user would make a direct (i.e. side-by-side) or indirect comparison of the relevant designs and the extent to which it is permissible for a court to look at the actual, physical goods produced by the parties as part of assessing overall impression) the GC was also upheld.

⁵³ *PepsiCo, Inc v Grupo Promer Mon Graphic SA* (Case C-281/10 P) [2012] F.S.R. 5, [43]-[46].

⁵⁴ C.f. Stone, *European Union Design Law* (2012), para 11.108. It is well-established that an appeal to the CJ must be on points of law, save where it is manifest from the documents in the case that the court’s findings of fact are substantially incorrect or have been distorted: K. Lenaerts, I. Maselis, K. Gutman and J. Tomasz Nowak (eds) *EU Procedural Law* (Oxford: Oxford University Press, 2014),

design appeals, the CJ also declined to address appeals against aspects of the GC's assessment of overall impression and individual character.⁵⁵ While these points were not as well pleaded as they could have been, it is again suggested here that the CJ could have dealt with them: the fineness of the dividing line (such as it is) between law and fact in this context is highlighted by the disagreement between Advocate-General Mengozzi and the Court on the admissibility of a number of aspects of the *Grupo Promer* appeal, and pleading the relevant legal issues more clearly should have resolved any potential doubt.⁵⁶

In the meantime, given the CJ's approach to admissibility on matters pertaining to overall impression, it has been noted that the GC will in effect be the court of final instance in most appeals from OHIM: it is therefore GC's approach which will have the 'utmost impact' on future developments and which is 'fundamental' for understanding EU design law.⁵⁷ Where does this leave the development of design law in institutional terms? At the EU level, there has been a major role reversal between the GC and the CJ. Whereas it was the CJ which played the most pivotal and proactive role in the early years of the TMD and CMTR and which continues to drive current development of both copyright and trade mark law, the reality is that – whether by preliminary reference or by appeal – over the last 14 years the CJ has had very little input into EU design law. Instead, between the two courts it is the GC which has led the way in interpreting the CDR and DD, effectively alone at the EU level.

This role reversal seems to have passed unremarked upon. For those who would see the CJ take a reduced role in IP, this may seem on its face like a positive development. As this article will go on to argue, however, a close re-examination of the GC's case law gives rise to serious concerns about the judicial methodology by which the court has gone about reaching its decisions, concerns which – coupled with institutional shortcomings and constraints

p633-637. However, the CJ may review the GC's legal categorisation of the facts as this may have resulted in the relevant legal rule being incorrectly applied: Lenaerts et al, pp637-638. In *Grupo Promer*, having ambiguously apparently ruled as a matter of law that design freedom was established by two specific matters, 'the constraints of the features imposed by the technical function of the product or an element thereof' and 'statutory requirements applicable to the product', the GC concluded on the facts that design freedom was severely constrained as a result of further, unrelated matters including market acceptability, cost, general non-statutory safety considerations and fitness for purpose: *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7, [67]-[70]; see further note 105. This raises immediate questions over whether the GC accurately stated the relevant legal test and/or correctly legally categorised the relevant facts. On appeal, the CJEU did not address these matters, holding that the appellant had not challenged the criteria identified by the GC: *PepsiCo, Inc v Grupo Promer Mon Graphic SA* (Case C-281/10 P) [2012] F.S.R. 5, [44].

⁵⁵ In *Grupo Promer*, the appellant alleged distortion of the facts by the GC in its assessment of overall impression, by limiting its findings on the informed user's perceptions of the disputed designs to the view of those designs from above and, in any event, on the basis that, from that top-down view, the differences between the designs were immediately perceptible: *PepsiCo, Inc v Grupo Promer Mon Graphic SA* [2012] F.S.R. 5, [76]. The CJ rejected this as inadmissible: [78]-[82]. In *Baena*, the appellants argued that the GC had erred in law in its conclusion that the overall impression produced by the two silhouettes in issue was determined by their facial expressions, arguing that the GC had not taken into account other relevant factors such as the identity between the products to which the disputed designs were applied, the identity of the public to which they were addressed and the GC's finding that there was a high degree of design freedom. CJ held that the appeal was an impermissible challenge to the GC's findings of fact: *Neuman, Galdeano del Sel and OHIM v José Manuel Baena Grupo, SA* (Joined Cases C-101/11 P and C-102/11 P) [2013] E.C.D.R. 3, [63]-[67].

⁵⁶ Cf. H. Hartwig, 'European Union: Council Regulation 6/2002, arts. 6, 61 - Herbert Neuman, Aldoni Galdeano del Sel, and Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Jose Manuel Baena Grupo SA' IIC 2013, 44(2), 248-254, p252. Although agreeing with the CJ on admissibility with respect to design freedom, Advocate-General Mengozzi rejected as inadmissible other matters accepted as admissible by the CJ: *PepsiCo, Inc v Grupo Promer Mon Graphic SA* [2012] F.S.R. 5. It is submitted here that, had the applicants approached their concerns by identifying the GC's alleged errors as errors of law, for example pleading the GC's articulation of its approach as an error as to the level of generality at which, as a matter of law, overall impression should be assessed (see further section 4.4 of the main body of this article), there would not have been the same difficulties.

⁵⁷ H. Hartwig, 'European Union: Council Regulation 6/2002, arts. 6, 61 - Herbert Neuman, Aldoni Galdeano del Sel, and Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Jose Manuel Baena Grupo SA' IIC 2013, 44(2), 248-254, pp252-253. Also H. Hartwig, 'Community design law: further guidance from the General Court of the European Union' J.I.P.L.P. 2013, 8(11), 862-867, p862.

which this article will go on to identify – have important potential implications for the coherence and process of design harmonization.

4. The GC's design case law: interpretation, expectation and a methodological void

4.1 Interpretation and expectation

The GC had at its disposal a range of different interpretative techniques to assist in the task of interpreting the new EU design law. It is most notably the CJ's well-established practice that EU legislative instruments should be interpreted adopting a purposive (or 'teleological') approach.⁵⁸ As observed by the CJ in the copyright case, *Rafael Hoteles*:

'According to settled case law, in interpreting a provision of Community law it is necessary to consider not only its wording, but also the context in which it occurs and the objectives pursued by the rules of which it is part'.⁵⁹

The CJ often takes what has been described as a 'fused' or 'cumulative' approach, bringing a number of different interpretative methods together.⁶⁰ Among other methods, including literal interpretation and consequentialist reasoning, by which the consequences of adopting various different possible interpretations are compared, in a form of 'historical' or 'originalist' interpretation the CJ may refer to the *travaux préparatoires*.⁶¹ As noted by Arnold J:

'As is well known, ... the CJEU routinely refers to the recitals of the measure as well as its operative provisions and frequently refers to pre-legislative materials such as the Explanatory Memoranda which accompany the Commission's legislative proposals'.⁶²

It accordingly was – and remains – the expectation among commentators and practitioners across jurisdictions that the DD and CDR should be interpreted purposively and with appropriate reference to the recitals and *travaux*.⁶³ The CDR and DD are accompanied by a substantial body of pre-legislative material, including amended proposals from the Commission as well as inputs from the European Parliament and Council which resulted in significant changes during the legislative process.

⁵⁸ G. Conway, *The Limits of Legal Reasoning and the European Court of Justice* (Cambridge: Cambridge University Press, 2012), pp11, 27 and 82; U. Neergaard, and R. Nielsen, 'Where Did the Spirit and Its Friends Go? On the European Legal Method(s) and the Interpretational Style of the Court of Justice of the European Union' in U. Neergaard, R. Nielsen, and L. Roseberry, (eds) *European Legal Method – Paradoxes and Revitalisation* (Copenhagen: DJØF Publishing, 2011) p108.

⁵⁹ *Sociedad General de Autores y Editores de España (SGAE) v Rafael Hoteles SL* (C-306/05) [2007] E.C.D.R. 2, [34].

⁶⁰ G. Beck, *The Legal Reasoning of the Court of Justice of the EU* (Oxford and Portland, Oregon: Hart Publishing, 2012), p283. The CJ's recent copyright case law is a good example – on the different techniques deployed, see E. Derclaye, 'The Court of Justice copyright case law: *quo vadis?*' E.I.P.R. 2014, 36(11), 716-723.

⁶¹ Conway, *The Limits of Legal Reasoning* (2012), pp19-21. Reference to the *travaux* has been noted as a particular feature of the CJ's approach to secondary legislation: U. Neergaard, and R. Nielsen, 'Where Did the Spirit and Its Friends Go? On the European Legal Method(s) and the Interpretational Style of the Court of Justice of the European Union' in U. Neergaard, R. Nielsen, and L. Roseberry, (eds) *European Legal Method – Paradoxes and Revitalisation* (Copenhagen: DJØF Publishing, 2011) pp132-133. These approaches may overlap to some degree: Conway, p20.

⁶² *Bayerische Motoren Werke AG v Round & Metal Ltd* [2013] F.S.R. 18, [56].

⁶³ Howe, *Russell-Clarke & Howe* (2010), para 2-011; M. Vitoria et al, *Laddie, Prescott and Vitoria: The Modern Law of Copyright and Designs* (4th ed) (LexisNexis, 2011), para 2.7; Stone, *European Union Design Law* (2012), para 2.01; Hasselblatt commentary in Hasselblatt, *Community Design Regulation* (2015), pp9 and 28.

Consistent with expectations, across its designs preliminary references, the CJ has used a range of interpretative methods, including reference to the *travaux*, purposive and consequentialist reasoning.⁶⁴ Across their design case law, the English courts have also been more than ready to engage in ‘European-style’ interpretation, reasoning purposively, from a consequentialist perspective and by reference to the recitals and *travaux*.⁶⁵

This contrasts sharply, however, with the approach of the GC. On fresh re-examination it becomes apparent that, across the GC’s decisions on the most challenging aspects of the CDR and DD, the GC’s conclusions have not been justified by reference to any of the expected interpretative techniques. Instead, the GC has not offered up any reasoning at all. Significant interpretative choices have been made without acknowledgement of those choices and without any attempt to justify the court’s position through identification of its interpretative methods. To assess the position further and to highlight the difficulties ensuing, it is to an examination of the legal reasoning underpinning the GC’s decisions on the most challenging issues it has tackled – the ‘informed user’, ‘design freedom’, ‘overall impression’/‘individual character’, complex products and the relevant prior art – to which this article now turns.

4.2 The ‘informed user’

The GC’s very first design decision, *Grupo Promer*, was the first EU-level case to address the concept of the ‘informed user’.⁶⁶ This was followed a couple of months later by the GC’s decision in *Shenzhen*.⁶⁷ *Grupo Promer* and *Shenzhen* immediately cemented themselves as key judgments the language of which the GC has since repeated in almost all later decisions, first alone and then often with equal billing alongside the CJ’s limited further statements on the issue in the *Grupo Promer* appeal.

The ‘informed user’ is of central importance to infringement and validity, being the fictional legal person through whose eyes ‘overall impression’ is to be assessed for individual character and infringement purposes. There were, however, many uncertainties. From whose perspective should the perception of the ‘informed user’ be judged – from the perspective of a product end-user or from a more discriminating perspective, perhaps more akin to that of a professional active in the relevant sector? What is the standard of the informed user’s knowledge – how ‘informed’ should he be taken to be? And what exactly should the informed user be taken to be ‘informed’ about – design matters, technical constraints, costs, manufacturing considerations, safety requirements or other issues? None of these matters are addressed in the CDR or DD. Opinions and court practices differed on these issues.⁶⁸

⁶⁴ *Fundación española para la innovación de la Artesanía (FEIA) v Cul de Sac Espacio Creativo SL* (Case C-32/08) [2009] E.C.D.R. 19 (literal interpretation including different language versions of the CDR, review of *travaux*, requirement of uniformity and ‘the principle of equality’, purposive reasoning based on the overall objectives of the EU design regime); *Celaya Emparanza y Galdos Internacional SA (CEGASA) v Proyectos Integrales de Balizamientos SL* (Case C-488/10) [2012] E.C.D.R. 17 (literal interpretation, schematic reasoning based on other provisions of the CDR, mixture of purposive and consequentialist reasoning based on the so-called ‘priority principle’ and objectives/operation of the design regime); *Karen Millen Fashions Ltd v Dunnes Stores* (Case C-345/13) [2014] Bus. L.R. 756 (literal interpretation, purposive, schematic and consequentialist observations about the nature of CUDR protection and compatibility with other provisions of the CDR); *H Gautzsch Großhandel GmbH & Co KG v Münchener Boulevard Möbel Joseph Duna GmbH* (Case C-479/12) [2014] E.C.D.R. 14 (literal and schematic reasoning, purposive arguments about uniformity, effectiveness and equivalence).

⁶⁵ Notably: *Green Lane Products Ltd v PMS International Group Ltd* [2007] E.C.D.R. 16 and [2008] E.C.D.R. 15; *Bayerische Motoren Werke AG v Round & Metal Ltd* [2013] F.S.R. 18, commented on by P. Joseph and C. Sanderson, ‘Alloy wheels are not spare parts’ J.I.P.L.P. 2013, 8(3), 196-197 and J. Cornwell, ‘BMW v Round & Metal: first UK decision on the Community design “repair clause”’ E.I.P.R. 2013, 35(9), 548-555.

⁶⁶ *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7.

⁶⁷ *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported).

⁶⁸ Levin commentary, pp70-71 in Franzosi (ed) *European Design Protection* (1996) (sometimes an ‘ordinary consumer’ but in other instances ‘a specialized mechanic or repairer’); Musker, *Community Design Law* (2002), para 1-055 (the end-user, not a ‘repair man’); T. Headdon, ‘Community design right infringement: an emerging consensus or a different overall impression?’ E.I.P.R. 2007, 29(8), 336-339, p337 (wholesale buyer); Vitoria et al, *Laddie, Prescott and Vitoria* (2011), para 55.28 (‘similar knowledge to that of a trade customer

The GC's judgment in *Grupo Promer* contained no hint of any of these questions. Instead, after noting the applicant's challenge to the Board of Appeal's findings, adopting a declaratory tone the GC proceeded directly to pronounce (emphasis added):

'It must be found that the informed user is neither a manufacturer nor a seller of the products in which the designs at issue are intended to be incorporated or to which they are intended to be applied. The informed user is particularly observant and has some awareness of the state of the prior art...'.⁶⁹

Despite its brevity, this short passage conceals significant interpretative choice by the GC, pitching the informed user's attention to detail at a high level (not just 'observant' but 'particularly observant'). This is, however, not acknowledged by the court. No reasons are given to support the formulation adopted.

In *Shenzhen*, a differently constituted GC offered a slightly longer formulation. This came, however, with little more by way of reasoning. Ostensibly, the GC adopted a literal interpretation. The word 'user' was said to imply that the relevant perspective was that of the product end-user:

'With regard to the interpretation of the concept of informed user, the status of 'user' implies that the person concerned uses the product in which the design is incorporated, in accordance with the purpose for which that product is intended' (emphasis added).⁷⁰

The word 'informed' was said to imply the standard of the informed user's knowledge and to exclude knowledge of detailed technical design considerations:

'The qualifier 'informed' suggests in addition that, without being a designer or a technical expert, the user knows the various designs which exist in the sector concerned, possesses a certain degree of knowledge with regard to the features which those designs normally include, and, as a result of his interest in the products concerned, shows a relatively high degree of attention when he uses them.

'However... that factor does not imply that the informed user is able to distinguish, beyond the experience gained by using the product concerned, the aspects of the appearance of the product which are dictated by the product's technical function from those which are arbitrary' (emphasis added).⁷¹

Although notionally more reasoned than *Grupo Promer*, this passage also conceals the exercise of significant interpretative choice by the court. A literal interpretation of the expression 'informed user' cannot fully sustain the GC's chosen interpretation: most importantly, while the word 'informed' may give some indication of the relevant *standard* of knowledge,⁷² it cannot not, as the GC maintains, carry any implication as to what is included or excluded from the *subject matter* of that knowledge.

Although not remarked upon at the time, what is particularly striking re-examining the passages quoted above is that – despite being the first EU-level cases on this issue – no attempt was made by the GC in either decision to

accustomed to examining and selecting from a large number of designs in a fairly narrow area of commerce'). For remarks on differing approaches which had been taken among national courts, see: M. Franzosi, 'Design protection Italian style' J.I.P.L.P. 2006, 1(9), 599-602, p601; D. Stone, 'Some clarity, some confusion: 12 P&G v Reckitt Benckiser decisions to help explain registered Community designs' J.I.P.L.P. 2008, 3(6), 376-385, pp379-381. See further also various interpretations noted in Hartwig, *Design Protection in Europe*, Volume 4 (2012) and Volume 3 (2009).

⁶⁹ *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7, [62].

⁷⁰ *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported), [46].

⁷¹ *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported), [47]-[48].

⁷² Howe suggests that the word 'informed' 'must mean at least reasonably well informed': Howe, *Russell-Clarke & Howe* (2010), para 2-043.

examine the purpose or legislative intent underlying adoption of the ‘informed user’ as the perspective for assessing overall impression and individual character, or to look at the consequences flowing from different possible interpretations. This is despite the fact that these matters play a fundamental role in determining the direction and impact of the EU design regime as a whole.

Take, for example, the issue of the standard of the informed user’s knowledge – the question of how ‘informed’ the informed user should be taken to be. Stone summarises the possibilities and their potential consequences thus:

‘How the informed user is determined will have a significant influence on the outcome of both invalidity proceedings and infringement litigation. If an informed user is found to have very detailed product knowledge and experience, even minor differences between products may well create a different overall impression: many designs will be valid but few will be infringed. This would create limited monopolistic rights for lots of small innovations. If the informed user has insufficient knowledge, then a broader range of products will create the same overall impression: few designs will be valid, but those that are will be infringed. This would create wide monopolies for a limited number of designs. The balance must be found somewhere between the two positions’.⁷³

The *travaux* also contained guidance on this issue. Originally, the Commission’s 1991 Green Paper indicated that overall impression should be judged from the perspective of the ‘ordinary consumer of the products in question’.⁷⁴ By the time the Commission issued its Proposals for the CDR and DD in 1993, however, the ‘ordinary consumer’ had been replaced by the concept of the ‘informed user’.⁷⁵ The Commission explained that, because the informed user had a ‘certain level of knowledge or design awareness’, he was more likely than the ordinary consumer to notice differences between designs: without assessing designs ‘at the level of “design experts”’, the informed user ‘may find striking differences, which would totally escape the attention of an ordinary consumer’.⁷⁶ There was no substantive disagreement on this formulation from either of the European Parliament or Council going forward.⁷⁷

This conceptualisation of the ‘informed user’ tends towards the more discriminating end of the spectrum –away from the ‘few but wide monopolies’ towards the ‘many but narrow monopolies’ model outlined by Stone in the passage quoted above. On this specific issue, the findings of the GC in *Grupo Promer* and *Shenzhen* do broadly align with the purpose and intentions of the EU regime. Given this, it is odd that the GC does not mention the *travaux* or offer any purposive reasoning, or indeed other rationale, by way of justification for adopting what seems to be the correct approach. It is suggested here that this may be because, on other matters, the GC has taken an approach which is divergent to the EU legislators’ intentions and the underlying purpose of the ‘informed user’ concept.

⁷³ Stone, *European Union Design Law* (2012), para 11.14 (without original footnotes). These considerations have only much more recently been acknowledged by the GC in *Danuta Budziewska v OHIM, Puma SE (intervener)* (Case T-666/11, 7 November 2013, unreported), [32] albeit without clearly linking to the particular interpretation adopted by the court.

⁷⁴ Green Paper, para 5.5.6.2; A. Horton, ‘Industrial design law: the future for Europe’ E.I.P.R. 1991, 13(12), 442-448, p444. At the time of the Green Paper, overall impression was the second part of a two-part combined test of ‘distinctive character’ which also encompassed novelty.

⁷⁵ Proposal for a Regulation, Explanatory Memorandum, para 8.3 and draft regulation, Articles 6 and 11; Proposal for European Parliament and Council Directive on the legal protection of designs, COM(93) 344 final-COD 464, Brussels, 3 December 1993 (‘Proposal for a Directive’), draft directive, Articles 5 and 9.

⁷⁶ Proposal for a Regulation, commentary, Article 6, paragraph (1) (p12) and Article 11, paragraph (1) (pp15-16).

⁷⁷ The ESC proposed deleting the word ‘informed’ as it was said to be ambiguous given the intention that similarity between designs was not to be assessed at the level of design experts (Economic and Social Committee opinion, [1994] OJ C388/03 (‘ESC opinion’), para 3.2.1), but this was not taken up by the European Parliament and was not in any event a substantive divergence of view.

The first such point of divergence is the extent to which the informed user is said to be informed on technical matters. In *Shenzhen* (quoted above), the GC asserted that the informed user's technical knowledge extends no further than to technical considerations which would be apparent from using the relevant product. However, this is hard to square with the evidence of legislative intent at Recital 14 CDR/Recital 13 DD which, in specifying the nature of the relevant product, its industrial sector and design freedom as matters which should be taken into account in the assessment of overall impression, strongly indicate that technical considerations should feature more prominently among the matters upon which the informed user is taken to be knowledgeable.⁷⁸ Neither of the judgments in *Grupo Promer* or *Shenzhen* mentions this in their discussion of these matters.⁷⁹ The upshot is conceptual confusion: although the underlying purpose of considering design freedom is to reduce the importance of necessarily 'standardised' design features in the assessment of overall impression (which might otherwise result in too many designs being considered too close to one another and thereby inhibit the availability of design protection in certain design fields), the less the informed user is taken to be informed on technical matters, the less likely he is to discount such features when comparing designs.⁸⁰ If design freedom is to be fully taken into account as instructed at Arts 6(2) and 10(2) CDR/5(2) and 9(2) DD, according to the GC at least it seems that this must be some other way than through the perception of the informed user.

The second, and perhaps even more central, point of divergence from the EU legislators' intentions is on the perspective from which the perception of the informed user should be assessed. In *Shenzhen*, the GC asserted that the informed user should be taken to be the end-user of the relevant product – that is, the person 'who uses the product in which the design is incorporated, in accordance with the purpose for which that product is intended' (see above). This is not, however, how the perspective of the 'informed user' was conceptualized in the *travaux*.

In the Commission's 1991 Green Paper, the emphasis was not on the end-user of a design but on 'those persons who are supposed to be the purchasers of the products in which the design is or is going to be incorporated' (emphasis added).⁸¹ For many designs, the end user would categorically *not* be the purchaser of the relevant product. The disputed design in *Shenzhen* itself, a conferencing speaker/audio unit of the kind used at large-scale conferences and international meetings, is a good example: the informed user identified by the Board of Appeal and approved by the GC ('anyone who regularly attends conferences or formal meetings at which the various participants have a conference unit with a microphone on the table in front of them') is most certainly not the person who would research and select one brand of unit in preference to another, influenced by their respective design qualities. That would be a conference organiser or venue provider, motivated by an overlapping but different set of design considerations.⁸² For other products, particularly more technical ones, while the design may

⁷⁸ Howe, *Russell-Clarke & Howe* (2010), para 2-043; Vitoria et al, *Laddie, Prescott and Vitoria* (2011), para 55.32; Stone, *European Union Design Law* (2012), paras 11.11-11.12; J. Jorge, 'Who is the informed user in Community registered designs?' I.P.M. 2014, May, 45-46, p46.

⁷⁹ The only reference to Recital 14 in either judgment is in the court's general introduction to the legislative background in *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported), [43].

⁸⁰ See also: Vitoria et al, *Laddie, Prescott and Vitoria* (2011), para 55.36.

⁸¹ Green Paper, para 5.5.6.2.

⁸² *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported), [49]. Phillips has noted: 'What I find interesting here is the identification of the informed user with "anyone who regularly attends conferences or formal meetings at which the various participants have a conference unit with a microphone on the table in front of them". Such people are certainly users, since it is they who press the buttons and speak into the mike. But is there then any meaningful difference between an "informed user" and a "user"? The person who is informed is probably a person employed by a conference organiser or conference venue provider, who will be concerned with the appearance, functionality and technical specifications of such systems – but who doesn't "use" them in the generally accepted colloquial sense of the word' (emphasis added): J. Phillips, 'Conference systems and informed users' (Class 99 blog, 26 July 2010, <http://www.marques.org/class99>, accessed 21 December 2015). There are numerous examples of designs the end-user of which would have no role in the process of actually assessing the design as part of the process of choosing the product to be acquired or used - see for example: D. Stone, 'Some clarity, some confusion: 12 P&G v Reckitt Benckiser decisions to help explain registered Community designs' J.I.P.L.P. 2008, 3(6), 376-385,

be an important part of the decision by an intermediary such as a professional tradesperson to stock, recommend, acquire or fit a particular product, those design qualities may be of little or no import to the ultimate end-user.

The Commission's focus on the perspective of persons active as purchasers on the market was an important reflection of the new 'design approach' underpinning the CDR and DD, with its underlying objective of protecting design for its value as a marketing tool in the marketplace.⁸³ In the 1991 Green Paper, the Commission observed that adopting the perception of a potential purchaser would ensure that a protected design 'is perceived on the market as something different from any known design', its overall impression being 'assessed at the level where the economic value of the design product is exploited, i.e. on the market' (emphasis added).⁸⁴ In the Commission's 1993 Proposals, which first adopted the expression 'informed user', the Commission continued explicitly to emphasise that the relevant perspective was not necessarily that of the end-user, but could include other persons:

'This may be, but is not necessarily, the end consumer who may be totally unaware of the appearance of the product, for example, if it is an internal part of a machine or a mechanical device replaced in the course of a repair. In such cases the "informed user" is the person replacing the part'.⁸⁵

This approach was endorsed in the 1994 Opinion of the European Parliament's Economic and Social Committee, which stated that an 'informed user' was someone 'with either a professional or personal interest in acquiring or reproducing a design'.⁸⁶

Thus we can see that the expression 'informed user' was intended by the EU legislators not to place focus on the end-user (as held by the GC in *Shenzhen*), but, rather, to emphasise the relatively discerning perspective of a person active on the relevant market where the qualities of the design will be assessed as part of the decision of whether or not to purchase. In short: it is the word 'informed' which is most important, not the word 'user'. As Koschtial noted in commentary pre-dating the GC's decisions in *Grupo Promer* and *Shenzhen*, the European legislature:

'did not inten[d] to stress the consumer position of the informed user by employing this term, but aimed at requiring a certain knowledge and familiarity with the market of the person judging the design'.⁸⁷

What are the consequences of the GC's different approach? The GC's focus on the end-user, rather than purchaser, has tended to distance the court from assessment of how a design would be perceived on the relevant marketplace. In *Shenzhen*, the GC went on to hold that, because the informed user was the end-user of the product in question, overall impression

p380 ('an 'informed user' of a pacemaker is probably the doctor who installs it, rather than the patient who benefits from it'); and, more light-heartedly, J. Phillips, 'Crunch time as court rules on Benelux dog-biscuits' (Class 99 blog, 26 December 2014, <http://www.marques.org/class99>, accessed 21 December 2015) ('while the "user" of a dog biscuit is the dog, the "informed user" is the person who buys it for him').

⁸³ As noted by Levin: 'The intention is to emphasize... following from the "design approach", that the reaction on a design in the market should be decisive, appreciated as a difference to what is previously known there by those who have some grounds to react' (emphasis added): Levin commentary, p68 in Franzosi (ed) *European Design Protection* (1996).

⁸⁴ Green Paper, para 5.5.6.2; see also para 5.5.6.3.

⁸⁵ Proposal for a Regulation, commentary, Article 6, paragraph (1) (p12), noted by A. Horton, 'European design law and the spare parts dilemma: the proposed regulation and Directive' E.I.P.R. 1994, 16(2), 51-57, p52.

⁸⁶ Economic and Social Committee opinion, [1994] OJ C388/03, para 3.2.2. There is thereafter no further discussion on this issue in the *travaux*, indicating consensus on this particular issue. In much later proposed amendments to the CDR issued in 2000, the European Parliament proposed adding a definition of the 'informed user' using different terminology, but by then the DD had already been adopted and this proposed amendment was not accepted in order to ensure that the CDR and DD remained in the same terms.

⁸⁷ U. Koschtial, 'Design law: individual character, visibility and functionality' IIC 2005, 36(3), 297-313, p301.

‘must necessarily be determined... in the light of the manner in which the product at issue is used, in particular on the basis of the handling to which it is normally subject on that occasion’.⁸⁸

Thus, according to the court in *Shenzhen*, features of the contested design which were outside ‘the user’s immediate field of vision’ during use of the product were deemed not to have ‘any major impact’ on the informed user’s perception of the design.⁸⁹ Although subsequently criticised as of ‘questionable value’, potentially subjective and a test which ‘does not belong in the world of design law’,⁹⁰ this ‘intended-use’ test has been repeated, rote-like, in a number of GC decisions. This has contributed to some oddly restrictive rulings (for example, to the effect that the overall impression created by a watch is effectively confined only to the shape and characteristics of the watch face because this is all that can be seen when the watch is worn on the wrist, or that the configuration of slats making up the seat of a chair is of little importance because they could not be seen below a seat cushion while being sat upon) on matters which could and should more properly and openly have been assessed from a design perspective.⁹¹ In the recent decision in *Argo*, an almost extreme focus on the in-use perception of the contested design for a form of concertina-style folded advertising signboard (the GC highlighting as important, for example, the fact that the holes forming the banner’s handles were perforated in the contested design and needed to be pushed out before use compared to pre-formed holes in the prior art, and that users would ‘not necessarily’ hold the boards ‘with all of their fingers’ but ‘may use only some of them’ such that differences in the shape of the handle-holes could be exposed) contributed to the somewhat surprising finding that the contested design did not produce the same overall impression as the very closely similar prior art.⁹² The intended-use test has caused also considerable difficulties in cases where the end-user’s ‘in use’ field of view is so severely restricted as to render almost meaningless any exercise of design comparison – so much so that, in the GC’s 2015 decision in *Senz*, the GC repudiated the confines of this line of case law and reverted explicitly to the perspective of a potential purchaser, appreciating the design in suit from all angles instead.⁹³

⁸⁸ *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported), [66].

⁸⁹ *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported), [65]. On the facts, the GC concluded that different decoration on the backs of the lids of the two competing speaker units did not affect the assessment of overall impression as it would only be seen by the user at distance on the reverse of other peoples’ units. Without disagreeing with the GC’s ultimate conclusion on overall impression (the two designs in suit being, as a whole, very close indeed) as a general proposition the design of the rear of the lid of a speaker unit is an example of a design feature which would likely be appreciated differently by the purchaser of a conferencing unit compared to the user of the unit, the purchaser being concerned with appearance not only when open and in use but also when shut and viewed within the scheme of the overall décor of the conference venue.

⁹⁰ H. Hartwig, ‘Community design law: further guidance from the General Court of the European Union’ J.I.P.L.P. 2013, 8(11), 862-867, p866 and footnote 11.

⁹¹ *Bell & Ross BV v OHIM, KIN AB (intervener)* (Case T-80/10, 25 April 2013, unreported), [133]-[137], criticised in H. Hartwig, ‘Community design law: further guidance from the General Court of the European Union’ J.I.P.L.P. 2013, 8(11), 862-867; *Sachi Premium-Outdoor Furniture, Lda v OHIM, Gandia Blasco, SA (intervener)* (Case T-357/12, 4 February 2014, unreported), [56] and *Gandia Blasco, SA v OHIM, Sachi Premium-Outdoor Furniture, Lda* (Case T-339/12) [2014] E.C.D.R. 15,[32]-[34].

⁹² *Argo Development and Manufacturing Ltd v OHIM, Clapbanner Ltd (intervening)* (Case T-41/14) [2015] E.C.D.R. 21, [51]-[56] in particular.

⁹³ In *Senz*, the contested design was for an asymmetric highly wind-resistant umbrella. While the competing designs had interesting and significant design features when viewed from their side and top profiles, the view from underneath was all that the end-user would see when the product was in use. The GC rejected the argument that the underneath view was what mattered: ‘... the fact that the user views the umbrella inter alia from underneath is... irrelevant to the assessment of the individual character of the contested designs... [I]f decisive weight were to be attached to the perspective during use for the assessment of the perception of an appearance by the user, all the objects which the user puts on (such as clothing), wears (such as hats, bonnets, glasses or helmets) or on or in which the user may habitually find himself or herself (such as bicycles), are, in principle, devoid of individual character because they have no distinctive appearance when used (glasses, helmets, hats) or a barely perceptible appearance and similar contours (bicycles, clothing). Clearly such a consequence does not reflect the reality in which the user makes his or her decision to purchase and decision to use these types of objects, which in most cases is based on their design. Moreover, even if the user sees certain products from only a limited perspective when using them, he or she will be aware of all the other perspectives at the time of use’: *Senz Technologies BV v*

Admittedly, the choice of the word ‘user’ in the expression ‘informed user’ was a poor one on the part of the EU legislators. However, if anything more than an unreflectingly literal interpretative approach is adopted, the underlying legislative intent and purpose are clear: to give effect to the new ‘design approach’ underpinning the CDR and DD, overall impression should be assessed from the perspective of a notional person knowledgeable and active at the point of exploitation of the design on the market.⁹⁴ That entails conducting a fuller and more rounded exercise of design comparison, nowhere near so hidebound by the limitations of how the end-user would perceive the design during actual use. These nuances have been appreciated elsewhere. When transposing the DD into national law in France, for example, the French legislature chose to refer to the impression formed on the ‘*observateur averti*’ (informed *observer*) not the ‘*utilisateur averti*’ (informed *user*).⁹⁵ In earlier national case law, numerous national courts had also proceeded on the basis that the informed user should be taken as a potential purchaser or ‘observer’.⁹⁶ In more recent English case law, HHJ Birss has explicitly favoured the perspective of a professional purchaser over that of the end-user where it was the professional purchaser who would be able closely to inspect the relevant design as part of the decision of whether or not to acquire the relevant product.⁹⁷ In the *Magmatic* ‘Trunk’ litigation, Arnold J has also expressed hesitation about including within the definition of the ‘informed user’ a person (in that case, a child) who would not be the actual purchaser of the relevant product.⁹⁸

By limiting itself in *Shenzhen* to what is, at best, a superficial (and ultimately unhelpful) literal interpretation and by failing to deploy any wider interpretative methods, it is submitted here that in *Grupo Promer* and *Shenzhen* the GC has laid down a test for the characterisation of the ‘informed user’ which loses sight of the underlying rationale of the EU design regime. It is perhaps because of this that – while still reciting the ‘end-user’ test from *Shenzhen* – the GC has been also been so ready, on so many occasions, to accept that there may be *two* embodiments of the informed user for one single design, the first being the end-user of the product and the second being a professional involved in the decision of whether to acquire or distribute products made to the relevant design.⁹⁹ It is

OHIM, *Impliva BV (intervener)* (Joined Cases T-22/13 and T-23/13) [2015] E.C.D.R. 19, [97] (emphasis added). The GC had run into similar difficulties in its earlier decision in *El Hogar Perfecto* because, when open and being held in the hand use, the design in question (for a corkscrew) would be barely visible: *El Hogar Perfecto del Siglo XXI, SL v OHIM, Wenf International Advisers Ltd (intervening)* [2014] E.C.D.R. 1, [45]. The GC attempted to get round this by suggesting – somewhat tenuously – that a corkscrew would be ‘in use’ when closed as well as when open: *El Hogar Perfecto*, [46].

⁹⁴ See also, in a different but related context, Franzosi’s criticism of the definition of ‘normal use’ of component parts for complex products. Franzosi argues that the validity of designs for component parts should not be assessed as perceived in use but at the moment when the relevant person ‘examines the article in order to buy it’: ‘The design which is protected is the one which comes to the attention of the prospective buyer, and may transform a prospective buyer into a buyer. It is not a design that may have an influence on other moments’ – Franzosi commentary, p48 in Franzosi, (ed) *European Design Protection* (1996). See also Koschtial: ‘Given the market approach preferred in the rest of the Design Regulation, it would have been more consistent to choose the moment of sale to determine visibility of the product. A producer has the same interest in protection of its product configuration at the moment of sale as at the moment of its visibility after integration into a complex product. The design is created to further the sale of the product...’: U. Koschtial, ‘Design law: individual character, visibility and functionality’ IIC 2005, 36(3), 297-313, p312.

⁹⁵ U. Koschtial, ‘Design law: individual character, visibility and functionality’ IIC 2005, 36(3), 297-313, pp300-301. In the CDR and DD themselves, the French language version uses the expression ‘utilisateur’. Koschtial argues that, given the intended meaning of the expression ‘informed user’ the expressions ‘utilisateur’ and ‘observateur’ are not substantively different.

⁹⁶ See variously throughout Hartwig (ed) *Design Protection in Europe*, Volume 3 (2009) and Volume 4 (2012).

⁹⁷ *Louwer-Lite Limited v Harris Parts Limited (trading as Harris Engineering)* [2012] EWPCC 53, [24]-[32]. HHJ Birss QC commented: ‘Generally it seems to me to be safe to start from the premise that a user of a product is likely to be a person who is involved in buying or selecting it, as well as in operating it’: [27].

⁹⁸ *Magmatic Ltd v PMS International Ltd* [2013] E.C.C. 29, [55].

⁹⁹ In *Grupo Promer*, where on the facts the informed user was held to be a child in the approximate age range of 5-10 or a marketing manager, the GC justified this on the basis that the contested design had been registered specifically with a product indication (‘promotional item[s] for games’) indicating a dual purpose (i.e. both childrens’ play and marketing purposes): *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7, [64]. Multiple embodiments of the informed user

presumably also because of this that - while all the while still reciting the ‘end-user’ mantra - the GC has been so ready on the facts to uphold Board of Appeal decisions in which the informed user has been personified explicitly as a potential purchaser or, in some cases, even a reseller of the design in question.¹⁰⁰

Looking to the perception of a potential purchaser or distributor is far more meaningful than looking rigidly to the in-use perception of an end-user in terms of pinning the assessment of overall impression to the market impact by which the design owner realises the value of his design. Such an approach is more consistent with the ‘design approach’ underpinning the CDR and DD, and is far more likely to result in a design being assessed and appreciated for its design qualities rather than on some other basis. It is, however, an uncomfortable stretch— if not direct contradiction - of the narrow, end-user focussed formulation set out in *Shenzhen* and repeated throughout the GC’s case law. With uncertainty in the GC’s case law introduced by the repudiation of the in-use perception test in *Senz*,¹⁰¹ we are left meantime with a disparity between, on the one hand, what the GC tells us the characterisation of the informed user should be and, on the other, how the GC proceeds on the facts of the cases before it. This disparity appears to have entrenched itself in the GC’s case law without comment, yet all of these complications could have been avoided had a deeper and more transparently reasoned approach to interpretation of the ‘informed user’ been taken from the outset.

4.3 Design freedom

The lack of reasoning from the GC continues into its case law interpreting the requirement that, in the assessment of overall impression, the ‘degree of freedom’ of the designer must be ‘taken into consideration’.¹⁰² What is meant by this was not defined in the CDR or DD. There were two principal questions: first, as to the *type* of design constraint (technical requirements or wider market-oriented factors and other considerations) to be taken into account; and, second, as to the *impact* of the evaluation of design freedom on the assessment of overall impression. Again, the leading GC judgments – and, indeed, the leading decisions at an EU-level generally – are *Grupo Promer*

(including a professional distributor) have, however, also been upheld by the GC in cases where there was no such dual marketing purpose to the product indication, on the basis that the product could be used in practice for promotional purposes: for watches (*Sphere Time v OHIM*, *Punch SAS* (Case T-68/10) [2011] E.C.D.R. 20, [52]-[54]); and for corkscrews (*El Hogar Perfecto del Siglo XXI, SL v OHIM*, *Wenf International Advisers Ltd (intervener)* [2014] E.C.D.R. 1, [26]-[27] and [29]).

¹⁰⁰ For example: *Kwang Yang Motor Co, Ltd v OHIM*, *Honda Giken Kogyo Kabushiki Kaisha (intervener)* (Case T-10/08) [2012] E.C.D.R. 2, [28] (‘... someone wishing to use... a mower, who, for example, needs to purchase one and who has become informed on the subject’); *Antrax It Srl v OHIM*, *The Heating Company (intervener)* (Joined Cases T-83/11 and T-84/11, 13 November 2012, unreported), [41] (‘... someone who purchases radiators for heating in order to install them in his home’); *Gandia Blasco, SA v OHIM*, *Sachi Premium-Outdoor Furniture, Lda (intervener)* (Case T-339/12) [2014] E.C.D.R. 15, [13] (‘... any person who ‘habitually purchases’ armchairs and puts them to their intended use and who has acquired information on the subject, inter alia, by browsing through catalogues of armchairs, going to relevant shops, downloading information from the internet, or who is a reseller of those products’).

¹⁰¹ There are also obvious potential problems in cases involving more than one embodiment of the informed user, if any might perceive the contested design differently. This was considered by the GC in *Sphere Time*, but (perhaps unsurprisingly) the GC felt able summarily to dispose of the issue stating baldly (emphasis added): ‘... in any event, the fact that one of the two groups of informed users... perceives the designs at issue as producing the same overall impression is sufficient for a finding that the contested design lacks individual character’: *Sphere Time v OHIM*, *Punch SAS* (Case T-68/10) [2011] E.C.D.R. 20, [56]. This outcome is problematic: between two embodiments of the informed user, it is the person who is *least* attuned to differences between designs and who is the *least* discerning in terms of attention to detail, knowledge and awareness who will most readily perceive two designs as producing the same overall impression. In cases with two informed users, applying *Sphere Time* it will therefore be the ‘least informed’ informed user (ie the person least likely to notice differences) whose perception determines the assessment of overall impression/individual character: Stone, *European Union Design Law* (2012), para 11.55.

¹⁰² Articles 6(2) and 10(2) CDR/5(2) and 9(2) DD.

and *Shenzhen*.¹⁰³ Again, the tests articulated in these two cases have also been repeated by the GC throughout subsequent case law.¹⁰⁴

In *Grupo Promer*, the General Court looked first at the type of design constraint relevant to the assessment of design freedom. Although there has been some disagreement over the exact findings of the GC, the legal test articulated in *Grupo Promer* specifically identified two relevant types of design constraint: features imposed by ‘the technical function of the product or an element thereof’ and ‘statutory requirements applicable to the product’.¹⁰⁵ In *Shenzhen*, the court held that ‘general design trends’ and ‘aesthetic or commercial considerations’ should not be taken into account.¹⁰⁶ On the impact of relevant design constraints, the GC in *Grupo Promer* held that common design features relating to relevant design constraints should be taken to have ‘only minor importance’ in the overall impression produced on the informed user; the more design freedom is restricted, the more it is likely that minor differences will produce different overall impressions.¹⁰⁷

With most modern designs blending form and function to some degree and thus falling within the reach of these rules, the GC’s conclusions are highly significant. Again, however, on all of these points there was no attempt any at reasoning by the GC. Instead, the GC remained resolutely declaratory. In *Grupo Promer*, the GC asserted baldly that ‘it must be noted that’ the design freedom is constrained by technical function or statutory restrictions.¹⁰⁸ On the question of how relevant constraints should be taken to the impact on overall impression, this was said to follow automatically (‘thus...’) from the requirement that design freedom be taken into account.¹⁰⁹ And in *Shenzhen*, the GC pronounced simply that ‘it should be observed that’ the design trends and aesthetic perceptions are not relevant to the examination of individual character.¹¹⁰

Between them, *Grupo Promer* and *Shenzhen* seek to convey the impression that the logic dictates only one possible reading of the provisions on design freedom. This is untenable. The issue of relevant *types* of design constraint is, in

¹⁰³ Although the GC’s ruling on design freedom in *Grupo Promer* was appealed to the CJ, the CJ considered this part of the appeal to be inadmissible: *PepsiCo, Inc v Grupo Promer Mon Graphic SA* [2012] F.S.R. 5.

¹⁰⁴ In *Shenzhen*, the GC also held (also followed in later cases) that, to be relevant, design constraints must impact on the specific configuration of the features of the design in issue, rather than simply requiring those features to be present in the design in some form: *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported), [54].

¹⁰⁵ *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7, [67]. While the GC referred specifically only to technical and statutory constraints, it went on to take into account other considerations: the need for the products to be accepted in the marketplace, inexpensive, safe for children and fit to be added to the products which they promoted: *Grupo Promer*, [68]–[70]. Some commentators have taken the view that the GC thereby endorsed the inclusion of both technical and market-oriented considerations in the assessment of design freedom: e.g. Suthersanen, *Design Law* (2010), para 6-028; Stone, *European Union Design Law* (2012), paras 11.97–11.98. Others have taken the view that constraints must be of a technical (or at least similarly mandatory) nature to be relevant: e.g. L. Brazell, ‘The overall impression of registered design rights’ I.P.M. 2014, Apr, 53–54, p54; Vitoria et al, *Laddie, Prescott and Vitoria* (2011), para 55.43. In the appeal to the CJ, the AG read the decision as espousing a rule that relevant constraints must be of a functional nature: *PepsiCo, Inc v Grupo Promer Mon Graphic SA* (Case C-281/10 P) [2012] F.S.R. 5, [AG30]. Somewhat unsatisfactorily, what the GC meant to say may ultimately turn on its extremely loose use of the words ‘inter alia’ the opening of paragraph 67 of its judgment.

¹⁰⁶ *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported), [58].

¹⁰⁷ *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7, [72].

¹⁰⁸ *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7, [67]. The GC observed that relevant constraints result in a standardisation of certain features which will therefore be common to designs applied to the products in issue: [67]. While this explains the underlying purpose of requiring design freedom to be taken into consideration, this observation does not however provide any justification for the particular categories of design constraint considered relevant by the GC.

¹⁰⁹ *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7, [72].

¹¹⁰ *Shenzhen Taiden Industrial Co. Ltd v OHIM, Bosch Security Systems BV (intervener)* (Case T-153/08, 22 June 2010, unreported), [58].

particular, open to a range of interpretations, with significant consequences. If a narrow view is taken (for example, limiting relevant constraints only to technical or other strictly mandatory requirements), fewer similarities between designs can be discounted as the subject of ‘standardisation’ between products. Greater variation between designs will be required and fewer designs will be protected as a result, albeit with a wider scope of protection. In contrast, the wider the net is cast in terms of relevant constraints (for example, including more market-oriented or consumer-driven considerations), the more often design features may be treated as resulting from standardization and the more often small differences in design may be taken to stand out in the eyes of the informed user, thereby conferring individual character. The threshold of entitlement to protection will be lower: more designs will be protected but with a narrower scope of protection.

Standing the uncertainty over the precise content of its ruling in *Grupo Promer*, the GC in *Grupo Promer* and *Shenzhen* appears to have chosen a narrow view of the relevant design constraints. There are, however, purposive and schematic arguments to suggest that a wider approach should be adopted.¹¹¹ Either way, the range of different interpretative options is readily apparent from the *travaux*. While, on the issue of the *impact* of design constraints, the *travaux* do support the court’s approach - indeed, on that issue the General Court seems to be drawing closely from the 1991 Green Paper, albeit without acknowledging as much - on what may constitute the *type* of relevant design constraint, the *travaux* serve to highlight just how far from clear-cut the position really is. In its 1991 Green Paper, the Commission initially indicated that relevant design constraints were not to be limited solely to technical matters, but could also include considerations such as marketing requirements and fashion:

‘The provision expresses the principle that, the more limited the freedom of the designer is in developing his design due to technical or marketing constraints (standardization, mechanical or physical constraints, necessity of taking into account deep-rooted marketing requirements by the clients, features imposed by fashion), the more weight has to be given to small differences or variations as constituting an independent development’ (emphasis added).¹¹²

However, by the time of the 1993 Proposals for the CDR and DD, the Commission’s position appeared to have changed to focus on technical functionality alone:

‘Highly functional designs where the designer must respect given parameters are likely to be more similar than designs in respect of which the designer enjoys total freedom. Therefore, paragraph 2 also establishes the principle that the freedom of the designer must be taken into consideration when the similarity between an earlier and a later design is being assessed’ (emphasis added).¹¹³

The issue is not thereafter mentioned any further in the *travaux*. In the *Grupo Promer* appeal, the Advocate-General took this to indicate that design freedom was to be limited to functional constraints only.¹¹⁴ Whether or not this reading of the *travaux* is correct or, indeed, whether the *travaux* are at all conclusive on the issue, what does emerge very clearly from the pre-legislative materials is the range of possible interpretations which could have been adopted. Had the GC engaged in a fully articulated process of reasoning engaging with these different possible interpretations in *Grupo Promer*, it seems likely that the considerable apparent confusion in its decision on the facts –in which the GC appeared to conflate more-market oriented considerations with technical and statutory

¹¹¹ Brückner-Hofmann commentary in Hasselblatt (ed) *Community Design Regulation* (2015), p86; Stone, *European Union Design Law* (2012), paras 11.106 and 11.109.

¹¹² Green Paper, para 5.5.8.3.

¹¹³ Proposal for a Regulation, commentary, Art 11, paragraph (2) (p16).

¹¹⁴ *PepsiCo, Inc v Grupo Promer Mon Graphic SA* [2012] F.S.R. 5, [AG33] although, like the CJEU, he ultimately concluded that this part of the appeal was inadmissible.

constraints - could have been avoided. In the meantime, the GC's bald conclusions and declaratory style again conceal the exercise of significant interpretative choice by the court.

4.4 Overall impression

The interpretation of the concept of 'overall impression' is of critical importance, determining both (from a validity perspective) whether a design will have individual character and (from an infringement perspective) whether a later design will fall within the scope of protection of an earlier design. Overall impression has been highlighted by one commentator as 'the key area of contention in the majority of invalidity claims, and... the essential element in all infringement claims' and by another as 'the most vital element of the whole system'.¹¹⁵ Although Recitals 14 CDR / 13 DD (outlined above) contain some guidance on relevant considerations, the operative provisions of the CDR and DD are silent on how overall impression should be assessed, most particularly on the key question of the level of generality at which overall impression should be evaluated.

Most of the GC's decisions on overall impression have tended to jump straight into factual appraisal of the competing designs. Only in relatively few cases has the GC attempted to articulate the test which it is applying and, specifically, the level of generality to which it is working. None of this has been considered substantively by the CJ on appeal.¹¹⁶ Even on this most critical issue, however, on re-examining the GC's case law it becomes clear that there has been no greater attempt at reasoning or justification by the GC. In *Grupo Promer*, the GC dealt surprisingly quickly with the assessment of overall impression, pronouncing simply (emphasis added):

'The designs at issue must be compared by reference to the criteria set out at paragraph 72 above [*on design freedom*], by examining their similarities and their differences, in order to ascertain, taking into account the degree of the designer's freedom in developing the contested design, whether the Board of Appeal was entitled, without committing any error, to conclude that the designs at issue created a different overall impression on the informed user'.¹¹⁷

If anything, this reference to the 'examination' of similarities and differences is suggestive of a relatively close degree of scrutiny of the competing designs. Since then, however, the court has implicitly shifted away from this initial, relatively detailed focus. In *Kwang Yang Motor Co*, the GC asserted:

'The shape, dimensions and arrangement of the various components... are more important than differences in details. The two designs at issue produce identical impressions on account of the shape and arrangement of their principal components and have the same basic structure...

'The details relied upon by the applicant cannot have any impact on the overall impression produced on an informed user... An informed user will be guided by the basic structures alone and not by differences in the details, which do not produce different overall impressions on him' (emphasis added).¹¹⁸

In *Antrax*, the court focused on the 'shapes, arrangement and proportional relationships' of the different elements of the contested designs.¹¹⁹ In *El Hogar Perfecto*, the GC upheld an assessment of overall impression focussed on

¹¹⁵ Stone, *European Union Design Law* (2012), para 11.05; Levin commentary, p69 in Franzosi (ed) *European Design Protection* (1996). See also Brückner-Hofmann commentary in Hasselblatt(ed) *Community Design Regulation* (2015), p80.

¹¹⁶ In *Grupo Promer*, the CJ concluded that the appeal against the GC's assessment of overall impression was inadmissible: *PepsiCo, Inc v Grupo Promer Mon Graphic SA* [2012] F.S.R. 5.

¹¹⁷ *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7, [76].

¹¹⁸ *Kwang Yang Motor Co, Ltd v OHIM, Honda Giken Kogyo Kabushiki Kaisha (intervener)* (Case T-10/08) [2012] E.C.D.R. 2, [43]-[44].

¹¹⁹ *Antrax It Srl v OHIM, The Heating Company (intervening)* (Joined Cases T-83/11 and T-84/11, 13 November 2012, unreported), [61].

the ‘shape, position and relative size’ of various features of the contested design.¹²⁰ The GC has put its current position most explicitly in its decision in *Puma* where (somewhat misleadingly presenting its conclusion as a continuation of its earlier case law, which had not mentioned the concept), the GC equated a difference in overall impression to an absence of ‘déjà vu’:

‘[I]t is proper... to recall that the individual character of a design results from a different overall impression, or absence of déjà vu, from the point of view of the informed user, compared to any prior design within the design corpus...’.¹²¹

Across this case law, there is a significant implicit shift in the level of generality at which the GC has said that the assessment of overall impression is to be carried out. Again, however, no reasons are given to support any of the GC’s conclusions. Yet, as with the other interpretative issues discussed in this article, it is possible to take a range of different approaches, with significant implications for the overall functioning of the EU design system. Koschtial summarises the dangers of fixing the ‘overall impression’ test at too low a standard of generality:

‘[T]he lower the required level of individuality, the more the monopolised range of designs grows. This leads to the danger of hindering development and freedom of the market by monopolising forms that show no distinctive development to other forms, but are urgently needed by competitors on the market. In such a case, average evolution on the market is monopolized instead of progress rewarded’.¹²²

Conversely, set the bar too high and an insufficient number of designs may qualify for protection, thereby defeating the overall objective of the CDR and DD to encourage investment in good design.

Given the centrality of these issues to the functioning of the EU design system, the GC’s lack of reasoning is deeply unhelpful. It is all the more extraordinary when we consider that the *travaux préparatoires* clearly indicate – with unequivocal unanimity across the Commission, Parliament and Council – the EU legislators’ intentions for the ‘overall impression’ test, intentions which the GC’s approach directly contradicts.

In the 1991 Green Paper, validity and infringement were both initially intended to depend on an ‘overall impression of substantial similarity’, to be assessed by adopting a ‘synthetic approach’ with a judge ‘letting the design act on him as a whole’ rather than analysing and comparing details of the relevant designs.¹²³ In the 1993 Proposal for a Regulation the Commission also highlighted that the intention was to introduce a high threshold test for entitlement to protection.¹²⁴ A design was not to have individual character if the overall impression was one of ‘déjà vu’, even if the relevant design differed from earlier designs in ‘an important number of details’.¹²⁵ The 1993 draft regulation stipulated that a design only had individual character if the overall impression it produced on the informed user differed ‘significantly’ from the overall impression produced by any earlier

¹²⁰ *El Hogar Perfecto del Siglo XXI, SL v OHIM, Wenf International Advisers Ltd (intervening)* [2014] E.C.D.R. 1, [40].

¹²¹ *Danuta Budziewska v OHIM, Puma SE (intervener)* (Case T-666/11, 7 November 2013, unreported), [29] (emphasis added, translated from the French version of the judgment by the author). For a case summary and translation of this passage from the Polish version of the judgment, see: K. Maciaszek, ‘Crouching domestic cat when landing vs. Hidden wild puma when jumping’ (Class 99 blog, 30 November 2014, <http://www.marques.org/class99>, accessed 21 December 2015).

¹²² U. Koschtial, ‘Design law: individual character, visibility and functionality’ IIC 2005, 36(3), 297-313, p304. See also Levin commentary, pp72-73 and pp75-76 in Franzosi (ed) *European Design Protection* (1996).

¹²³ Green Paper, para 5.5.8.2 and draft regulation, Articles 7 and 18.

¹²⁴ Proposal for a Regulation, commentary, Article 6, para (1) (pp12-13).

¹²⁵ Proposal for a Regulation, commentary, Article 6, para (1) (p12), noted: G. Dinwoodie, ‘Federalized Functionalism: The Future of Design Protection in the European Union’ 24 AIPLA Q.J. 611 (1996), pp657-658.

design.¹²⁶ This high threshold test was said explicitly to be the counterpart for the conferral of a broad scope of protection:

“The provision introduces a high threshold of dissimilarity in comparison to existing designs, thereby at the same time providing for a broad scope of protection... European industries need... a protection which goes beyond the protection against identical reproductions and which is far more sweeping in scope. The counterpart of such efficient protection is, however, a high threshold as regards individual character’.¹²⁷

However (although sometimes overlooked in commentary), the Commission’s proposals did not survive the legislative process. The 1994 Economic and Social Committee opinion on the draft CDR and DD, endorsed in the European Parliament’s 1995 amendments to the draft DD, sought deletion of the word ‘significantly’ from the tests for validity and infringement: to avoid too many designs being excluded from protection (a concern raised, in particular, by the European textile industry), a design was to be taken to have individual character simply if it produced an overall impression which was dissimilar to any other design.¹²⁸ This explicit lowering of the requirements for protection was accepted by the Commission and the Council, albeit with reluctance on the part of the Commission because of the consequent lowering in the threshold for protection.¹²⁹ When the Council added a precursor to Recital 14 CDR/13 DD stating that individual character required that the relevant design ‘clearly differs’ from the existing design corpus, the European Parliament objected again and sought to delete the word ‘clearly’.¹³⁰ This deletion was also accepted, although some instances of use of the word ‘clearly’ (or equivalent) remained in certain parts of certain language versions by mistake.¹³¹

This shift from a higher to a lower threshold for protection is apparent even in the drafting history of provisions which did not make it into the final versions of the DD or CDR. To avoid so-called ‘intelligent copy’ (whereby a competitor adds unimportant variations to an existing design), the Commission had initially proposed specifying that common features should be given more weight than differences when assessing the similarity of designs.¹³² However, the Commission’s position was rejected by the Economic and Social Committee and the European Parliament, which proposed that common features should be given the same weight as differences.¹³³ This was

¹²⁶ Proposal for a Regulation, draft regulation, Art 6(1); see also Art 11(1) (‘significantly similar’ overall impression for infringement). See also Proposal for a Directive, draft directive, Articles 5(1) and 9(1).

¹²⁷ Proposal for a Regulation, commentary, Article 6, paragraph (1) (p12). See also Green Paper, para 6.4.5.2 on the need to extend protection beyond slavish reproductions to substantially similar designs.

¹²⁸ Economic and Social Committee opinion, [1994] OJ C388/03, paras 3.2.3, 3.2.4 and 3.3; European Parliament amendments to the DD, [1995] OJ C287/157, amendments nos. 5 and 8 on Articles 5(1) and 9(1) DD; noted Franzosi (ed) *European Design Protection* (1996), p6 and Franzosi commentary p62; and Musker, *Community Design Law* (2002), para 1-053.

¹²⁹ Amended Proposal for a European Parliament and Council Directive on the legal protection of designs, COM(96) 66 final – COD 464, Brussels, 21 February 1996, Explanatory Memorandum, p3, commentary Art 5(1) (p6) and Art 9(1) (p8); Council Common Position (EC) No. 28/97, adopted 17 June 1997, [1997] OJ C237/1, Statement of Reasons, paras 12 and 22; noted G. Dinwoodie, ‘Federalized Functionalism: The Future of Design Protection in the European Union’ 24 *AIPLA Q.J.* 611 (1996), p660; Musker, *The Design Directive* (2001), p37.

¹³⁰ Council Common Position (EC) No. 28/97, adopted 17 June 1997, [1997] OJ C237/1, new Recital 13 and Statement of Reasons, para 12; European Parliament amendments to the common position, [1997] OJ C339/53, amendment no. 2 on recital 13.

¹³¹ Hartwig (ed) *Design Protection in Europe* – Volume 3 (2009), pp203-204, 212-213 and 232. This initially led the English Court of Appeal to take an erroneous approach to the assessment of individual character and infringement, but this was explicitly reversed and corrected: *Dyson Ltd v Vax Ltd* [2012] F.S.R. 4, [34].

¹³² Green Paper, para 5.5.8.1; Proposal for a Regulation, commentary, Art 6, paragraph (3) (p13) and Art 11, paragraph (2) (p16) and draft regulation Articles 6(3) and 11(2); Proposal for a Directive, draft directive, Article 5(3) and Article 9(2); noted A. Horton, ‘European design law and the spare parts dilemma: the proposed regulation and Directive’ *E.I.P.R.* 1994, 16(2), 51-57, p53.

¹³³ European Parliament amendments to the DD, [1995] OJ C287/157, amendments nos. 6 and 9 on Articles 5(3) and 9(2) DD.

accepted by the Commission and Council as consistent with the overall lowering of the threshold for protection sought by the European Parliament, and the provision deleted as redundant.¹³⁴

It is therefore clear that, by the time of the enactment of the CDR and DD, while the terminology ('overall impression') remained the same, the EU legislators had explicitly settled on a lower threshold requirement for entitlement to protection than had originally been proposed. Despite this, although unremarked upon in commentary, the GC's interpretation of the overall impression test has, if anything, moved in the *opposite* direction: starting initially in *Grupo Promer*, in line with the legislators' final intentions, by requiring an examination of similarities and differences but moving in subsequent cases, most specifically as stated in *Puma*, to a broad 'déjà vu'-based approach much more akin to - and indeed using the same language as - the high threshold for protection explicitly rejected during the legislative process. Following the GC's approach, *Puma* is now relied upon in the OHIM design invalidation guidelines as authority for the proposition that:

"The dissimilar or similar impression produced in the informed user can be identified as the presence or absence of a 'déjà vu'.¹³⁵

By following GC authority in this way (as it must), OHIM has adopted a model for assessing 'overall impression' which was explicitly rejected and dropped during the legislative process. This contrasts with UK case law in which the English courts have taken a markedly different line, more in step with the final threshold for overall impression settled on by the EU legislators, in which it has been stressed that 'attention to detail matters'.¹³⁶ At the same time, looking at recent factual determinations by the GC (particularly in recent cases such as *Argo* and *Senz*) it is hard to avoid the inference that, having adopted a higher-than-intended threshold for what constitutes different overall impression, the GC in fact also prefers to take a more detailed analytical approach to the comparison of designs, albeit that it achieves this indirectly through other means, such as taking a very narrow view of the definition of the products in suit.¹³⁷ The GC's failure to engage in a proper process of reasoning has again led it to set a standard which marks a significant departure from the purpose and intentions behind the CDR and DD.

4.5 *Complex products and the prior art*

The issues discussed above are not the only examples of the GC engaging in important interpretative activity without providing any reasoning.¹³⁸ Three further recent examples stand out in particular.

¹³⁴ See: Amended Proposal for a European Parliament and Council Directive on the legal protection of designs, COM(96) 66 final – COD 464, Brussels, 21 February 1996, commentary on Article 5, paragraph (2) (p6); Council Common Position (EC) No. 28/97, adopted 17 June 1997, [1997] OJ C237/1, Statement of Reasons, paras 13 and 24; noted: Musker, *The Design Directive* (2001), pp40 and 68; Musker, *Community Design Law* (2002), paras 1-056 and 1-099.

¹³⁵ OHIM, *Examination of Design Invalidity Applications* (version 1.0, dated 1 February 2015) (<https://oami.europa.eu/ohimportal/en/manual-of-designs-practice>, accessed 21 December 2015), p37.

¹³⁶ *Samsung Electronics (UK) Ltd v Apple Inc* [2013] E.C.D.R. 1, [58].

¹³⁷ See further: K. Maciaszek, 'Advertising articles – narrow, narrower or the narrowest degree of design freedom' (Class 99 blogpost, 6 February 2015, <http://www.marques.org/class99>, accessed 21 December 2015); Torelli, V., 'The informed user's perception and a design's individual character' J.I.P.L.P. 2015, 10(10), 737-739.

¹³⁸ The GC has, for example, without any reasons created a new 'perceptibility' test for the concept of novelty: *Erich Kastenholz v OHIM, Qwatchme A/S (intervener)* (Case T-68/11, 6 June 2013, unreported), [37]. On overall impression, the GC has also bounced back and forth – all the time with no reasoning – on whether 'saturation of the art' (ie a high concentration of aesthetically similar designs) in a crowded design field should be taken into account. This was first explicitly confirmed as relevant, without reasoning ('it must be held...'), in *Antrax It Srl v OHIM, The Heating Company (intervening)* (Joined Cases T-83/11 and T-84/11, 13 November 2012, unreported), [89]. However, the GC failed to apply this principle in its subsequent decision in *Bell & Ross*: H. Hartwig, 'Community design law: further guidance from the General Court of the European Union' J.I.P.L.P. 2013, 8(11), 862-867, pp865-866. This

First, in *AIC v ACV* the GC addressed the issue of how to apply the requirement of visibility in normal use for component parts to a scenario in which the relevant component part is capable of being used in different complex products.¹³⁹ Such a component will be visible to different extents in different applications. Although there is no guidance in the *travaux* (which appear to have assumed rather naively that a component part would only ever be used in one complex product), there was a great deal for the GC to consider from purposive and other perspectives in resolving how to apply the ‘visibility in use’ test to such a scenario. Article 4(2) CDR and Article 3(3) DD were introduced relatively late in the drafting process, as part of lengthy negotiations over the treatment of automotive spare parts, and commentators have argued that the provisions on complex products should be construed narrowly: design features of ‘multi-use’ component parts should therefore only be excluded from protection if invisible in all possible applications.¹⁴⁰ In *AIC*, however, without acknowledgement of any of these issues, the GC took the opposite approach - pinning the assessment of visibility entirely to the evidence of how the specific design in suit was being marketed by the design rightholder at the time of the application for registration.¹⁴¹ No reasons were given. There was, however, a dramatic result: although the rightholder adduced evidence showing that the contested design was for a category of component parts (heat exchangers) that could be used in a range of complex products, because his products were at that time only marketed for use in only one such complex product (domestic boilers) in which they could not be seen at all in normal use, no part of the contested designs was taken ever to be visible. There was, therefore, nothing to protect as a Community design. The implications of this approach are both severe and unpredictable. If the validity of a design for a ‘multi-use’ component part is to be assessed by reference only to how that specific design is marketed by the rightholder at the time of the application, validity becomes dependent on the marketing strategy of the rightholder, not any intrinsic qualities of the design itself. As predicted by Hasselblatt, ‘arbitrary outcomes’ are the result.¹⁴²

Two very recent decisions on the prior art against which validity is to be judged are, if anything, even more problematic. In *Cezar*, the GC has created an entirely new exclusion from the prior art, holding that an earlier design for a component part of a complex product can only be treated as a relevant prior art disclosure if that earlier design was visible in normal use.¹⁴³ As a result, although depicted in an earlier published catalogue, because it was a component which would not have been visible in actual use the prior art design in that case could not be relied upon at all. In *Group Nivelles*, the GC has gone even further, ruling out of the assessment of individual character - although not the assessment of novelty - any prior art design not known to the informed user by reason of the limitations of the informed user’s field of interest.¹⁴⁴ Both of these decisions have been described as

inconsistency has continued into more recent case law, *Antrax* being followed in *Danuta Budziewska v OHIM, Puma SE (intervener)* (Case T-666/11, 7 November 2013, unreported), but not in *Sachi Premium-Outdoor Furniture, Lda v OHIM, Gandia Blasco SA (intervener)* (Case T-357/12, 4 February 2014, unreported), then followed again in *Tubes Radiatori Srl v OHIM, Antrax It Srl (intervener)* (Case T-315/12, 12 March 2014, unreported).

¹³⁹ *AIC SA v OHIM, ACV Manufacturing (intervening)* (Case T-615/13, 20 January 2015, unreported). Two further decisions in linked decisions (Cases T-616/13 and T-617/13, 20 January 2015, both unreported) were also handed down. See further: ‘Designs: Heat exchanger designs invalid as not visible during normal use’ C.I.P.A.J. 2015, 44(2), 109; and Wolfs, N., ‘Out of sight, out of protection’ M.I.P. 2015, 247, 99-100.

¹⁴⁰ U. Koschtial, ‘Design law: individual character, visibility and functionality’ IIC 2005, 36(3), 297-313, p313; Hasselblatt commentary in Hasselblatt (ed) *Community Design Regulation* (2015), pp51-52, 62-63 and 66.

¹⁴¹ *AIC SA v OHIM, ACV Manufacturing* (Case T-615/13) (20 January 2015, unreported), [23]-[31].

¹⁴² Hasselblatt commentary in Hasselblatt (ed) *Community Design Regulation* (2015), p62.

¹⁴³ *Cezar Przedsiębiorstwo Produkcyjne Dariusz Bogdan Niewiński v OHIM, Poli-Eco Tworzywa Sztuczne sp. z o.o. (intervener)* (Case T-39/13, 3 October 2014, unreported), [51]-[52]. See also: ‘Designs: Validity of Community design for a component part of a complex product’ C.I.P.A.J. 2014, 43(11), 650-651.

¹⁴⁴ *Group Nivelles v OHIM, Easy Sanitary Solutions BV (intervener)* (Case T-15/13, 13 May 2015, unreported), [132].

‘remarkable’.¹⁴⁵ Both, it is submitted here, cut directly across the clear and unambiguous drafting of Art 7 CDR which (aside from its subsidiary rules on confidentiality and so on) contains only one exception - the so-called ‘safeguard clause’ for obscure prior art, noted in section 2 above - to its otherwise strict worldwide prior art regime. Art 7(1) CDR itself also explicitly requires, in its opening words, that the same rules be applied to both novelty and individual character.

It is simply astonishing that the GC should feel free – without any textual basis whatsoever – to innovate on the language of the CDR to the extent that it has done in *Cezar* and *Group Nivelles*. The GC has effectively written into Art 7(1) CDR new carve-outs from the relevant prior art that directly conflict with the detailed wording that had been extensively negotiated during the legislative process. It is abundantly clear from the *travaux* that, with the ‘safeguard clause’ in place, there were to be no further exceptions to Art 7(1) CDR.¹⁴⁶ It is, of course, not unheard-of for the CJ to adopt a *contra legem* interpretation of a provision of harmonized IP law. However, in the most well-known example of this, *Davidoff v Gofkid*, the CJ in that case fully articulated the basis – involving a full exercise of schematic, purposive and consequentialist reasoning – upon which it acted.¹⁴⁷ In *Cezar*, the GC’s new carve-out was explained only by a passing (and questionable) mention of working ‘by analogy’ with the visibility requirement in the rules on entitlement to protection for component parts at Article 4(2) CDR;¹⁴⁸ in *Group Nivelles*, the GC’s new carve-out was claimed baldly simply to ‘follow’ from a rote-like recitation of Recital 14 CDR and the general case law on the informed user.¹⁴⁹ The shallow purported reasoning in *Group Nivelles* is markedly different to the much more thoughtfully-articulated conclusions of the English courts on this issue, who have carefully distinguished between the scope of the ‘design awareness’ of the informed user (which may be limited) and the extent of the relevant prior art (which is not).¹⁵⁰ In neither *Cezar* nor *Group Nivelles* did the GC acknowledge the

¹⁴⁵ On *Cezar*: H. Hartwig, ‘Reciprocity in design law: another brick in the wall’ J.I.P.L.P. 2015, 10(6), 465-467, page 466 (Hartwig considers this to be a noteworthy extension of the concept of ‘reciprocity’ which he has argued should have a central role in EU design law: pp466-467); on *Group Nivelles*: Hartman, G. ‘Multiple personality disorder amongst the public for Community designs?’ (IPKat blog, 7 July 2015, <https://ipkitten.blogspot.co.uk/search?q=%22personality+disorder%22>, accessed 21 December 2015).

¹⁴⁶ Although the Green Paper initially sought to limit the prior art against which novelty was to be assessed, this had been dropped by the time of the 1993 Proposals for the CDR and DD, a strict worldwide novelty test being adopted instead: A. Horton, ‘European design law and the spare parts dilemma: the proposed regulation and Directive’ E.I.P.R. 1994, 16(2), 51-57, p52; Hasselblatt commentary in Hasselblatt (ed) *Community Design Regulation* (2015), p12. For individual character, the 1993 Proposals initially proposed that individual character be assessed only against earlier designs which were being commercialised on the market and un-expired design applications or registrations: Horton, p52. However, this was explicitly abandoned and the same worldwide prior art test as novelty adopted, as part of the overall process of negotiation between European Commission and Parliament on the threshold for entitlement to protection: Franzosi (ed) *European Design Protection* (1996), p6 and pp62-63; G. Dinwoodie, ‘Federalized Functionalism: The Future of Design Protection in the European Union’ 24 AIPLA Q.J. 611 (1996), p660, footnote 135; Musker, *Community Design Law* (2002), para 1-054.

¹⁴⁷ *Davidoff & Cie SA v Gofkid Ltd* (Case C-292/00) [2003] E.T.M.R. 42, debated in C. Morcom, ‘Extending protection for marks having a reputation: what is the effect of the decision of the European Court of Justice in *Davidoff v Gofkid*?’ E.I.P.R. 2003, 25(6), 279-282 and J. Cornwell, ‘The *Davidoff v Gofkid* case comment’ E.I.P.R. 2003, 25(11), 537-538.

¹⁴⁸ *Cezar Przedsiębiorstwo Produkcyjne Dariusz Bogdan Niewiński v OHIM, Poli-Eco Tworzywa Sztuczne sp. z o.o. (intervener)* (Case T-39/13, 3 October 2014, unreported), [51]. No attempt was made to articulate on what grounds such analogy was said to be legitimate. However, the terms, purpose and scheme of the rules at Article 7 CDR, not to mention the *travaux* and the General Court’s own earlier case law, all make it clear that a piece of prior art does not have to constitute an actual protected design to constitute a relevant prior art disclosure - for example *Senz Technologies BV v OHIM, Impliva BV (intervener)* (Joined Cases T-22/13 and T-23/13) [2015] E.C.D.R. 19, [24] noting that whether there is a ‘design’ for prior art purposes does not turn on how it is legally protected. ‘Use’ of a prior design is in any event only one of the many ways in which a design may be made available to the public.

¹⁴⁹ *Group Nivelles v OHIM, Easy Sanitary Solutions BV (intervener)* (Case T-15/13, 13 May 2015, unreported), [125]-[132].

¹⁵⁰ In particular: *Gimex International Groupe Import Export v Chill Bag Company Ltd and Others* [2012] E.C.D.R. 25, [36]-[47]. HHJ Birss QC likened this to the difference in patent law between the scope of the skilled man’s ‘common general knowledge’ and the state of the art: [44]-[45]. See also the Court of Appeal in *Green Lane Products Ltd v PMS International Group Ltd* [2008] ECDR 15 at [41]: ‘Whatever the informed user should be considering and whatever his notional attributes is not material to the inquiry as to what prior art is to be excluded. The informed user only comes in once the prior art to be considered is identified’. Although there was a suggestion to the

underlying objective of Art 7(1) to prevent the ‘re-monopolisation’ of designs already known in the public domain.¹⁵¹ This is an outcome which *Cezar* and *Group Nivelles* now both permit. It is hard to avoid the sensation that the GC in *AIC*, *Cezar* and *Group Nivelles* had only a limited grasp of the context to, and implications of, its decisions.

5. Consequences and causes: some lessons from the ‘Europeanisation’ of EU design law

5.1 A reduced role for the CJ?

The CJ cannot, of course, control the flow of cases that come before it. Nonetheless, it is extraordinary that, in 14 years of the EU design regime, not one of the issues discussed in section 4 above reached CJ on a preliminary reference from a national court. It is, after all, almost impossible to decide a design dispute, whether on infringement or validity, without adopting a view on how to interpret the concepts of the informed user, design freedom and overall impression and to establish the relevant prior art. Although the *travaux* contain clear guidance on some of the relevant issues as outlined above, overall none of these fundamental new concepts in the CDR and DD can realistically be regarded as *acte clair*. While there has been criticism of the readiness with which some courts may make IP references,¹⁵² as far as designs are concerned it is clear that a number of national courts have declined to make references when they could - or should - have done so.¹⁵³

Why, then, are we seeing so few designs preliminary references? There are, of course, fewer Community designs than CTMs which, together with the almost non-existent process for examination of design applications at OHIM and elsewhere (including the UK), has reduced the pool of potentially appealable or referable design disputes. The

contrary at first instance in the ‘Trunki’ litigation, that has been roundly criticised as erroneous: D. Stone and W. Corbett, ‘*Magmatic v PMS*: no RCD infringement on appeal’ J.I.P.L.P. 2014, 9(8), 635-638, pp637-638. See generally also: Brückner-Hofmann commentary in Hasselblatt (ed) *Community Design Regulation* (2015), pp100-101.

¹⁵¹ C. Gielen and V. von Bomhard, *Concise European Trade Mark and Design Law* (Alphen aan den Rijn: Kluwer Law International, 2011), p371.

¹⁵² J. Pila, ‘Intellectual Property as a Case Study in Europeanization: Methodological Themes and Context’ in Olhy and Pila (eds) *The Europeanization of Intellectual Property Law* (2013), pp21-22.

¹⁵³ In terms of UK case law, see for example: *Green Lane Products Ltd v PMS International Group Ltd* [2008] E.C.D.R. 15, [11] (concluding somewhat optimistically that the meaning of ‘the sector concerned’ at Art 7(1) CDR was *acte clair* – note the disagreement on this in Hartwig (ed) *Design Protection in Europe* – Volume 3 (2009), pp251-256); *Dyson Ltd v Vax Ltd* [2010] E.C.D.R. 18, [47] (noting that some of the issues decided were not *acte clair* but that no reference would be made as they were ‘unlikely to be determinative’ on the facts of the case); *Bayerische Motoren Werke AG v Round & Metal Ltd* [2013] F.S.R. 18, [76] (noting that no reference would be made on the Art 110(1) ‘spare parts’ defence as the issues were ‘reasonably clear’); *Magmatic Ltd v PMS International Ltd* [2013] E.C.C. 29, [35] (noting that questions were already with the CJ on the interpretation of the Art 7(1) ‘safeguard clause’ and that neither party wished a reference to be made). It has been argued that the CA should have referred its (now explicitly reversed) finding that different standards applied to the assessment of overall impression for validity and infringement purposes in *Procter & Gamble*: A. Carboni, ‘Design validity and infringement: feel the difference’ E.I.P.R. 2008, 30(3), 111-117, p115. It has also been suggested that the issues on design representation and surface decoration arising in the Court of Appeal’s decision in *Magmatic Ltd v PMS International Ltd* [2014] E.C.D.R. 20 (appealed to the Supreme Court) warrant a reference to the CJ: D. Meale, ‘Horned animal, insect or tiger with floppy ears? Trunki loses out in the Court of Appeal’ (IPKat blog, 4 March 2014, <https://ipkitten.blogspot.co.uk/search?q=%22insect+or+tiger+with+floppy+ears%22>, accessed 21 December 2015), although no reference was ultimately made: see the Supreme Court judgment at [2016] Bus. L.R. 371. Preliminary references have been requested and declined in other jurisdictions as well. For example, in *Karen Millen* the Irish High Court had initially refused to make a reference, the case only being referred to the CJ after appeal to the Irish Supreme Court: H. Atherton, ‘Case Comment: Karen Millen Fashions Ltd v Dunnes Stores and Dunnes Stores (Limerick) Ltd (Case C-345/13)’ E.I.P.R. 2015, 37(2), 111-115. Commentators have also noted the refusal of preliminary reference requests in Germany (H. Hartwig, ‘The concept of reciprocity in European design law’ J.I.P.L.P. 2010, 5(3), 186-191, p186, footnote 8), Denmark (P.G. Olson, ‘Danish Supreme Court keeps RCD questions from CJEU’ (Class 99 blog, 16 September 2014, <http://www.marques.org/class99/>, accessed 21 December 2015) and Italy (E. Marchesoni, ‘Milan Court refuses CJEU reference request, takes aesthetic approach to design problem’, Class 99 blog, 13 March 2015, <http://www.marques.org/class99/>, accessed 21 December 2015).

more limited value and ‘shelf-life’ of many designs may also make protracted disputes (and thus preliminary references or appeals to the CJ) unlikely.¹⁵⁴ However, the preliminary reference process itself has been getting quicker in recent years and high-profile design litigations have been pursued throughout Europe between major rightholders, some of whom were very active before the CJ in the early years of the CTM regime.¹⁵⁵ Numerous design cases have also reached different Member States’ supreme courts.¹⁵⁶ There have been plenty of opportunities for the key new concepts of the CDR and DD to be referred to the CJ had national courts been so minded. With continuing divergence of approach at a national level on important issues such as overall impression and the Art 7(1)/8(1) functionality exclusion,¹⁵⁷ there also remains plenty of scope for references to be made.

It has been suggested, in the trade mark context, that there would be benefit in allowing issues more to ‘percolate for a while’ at the national level, rather than immediately referring questions to the CJ.¹⁵⁸ Although it is outwith the scope of this article to test this, it may be that national courts, operating more confidently than in the early years of the trade marks regime, are now choosing to take this path on design matters. It is, however, also plausible to ask whether experiences with other IP rights may have made national courts ‘reference-shy’ when it comes to designs. As Weatherill has been noted in another context, national courts may refrain from making preliminary references to avoid unwelcome rulings;¹⁵⁹ early designs commentary certainly warned that ‘unexpected outcomes’ might well ensue from CJ judgments given the Court’s propensity for issuing judgments of ‘unparalleled opacity and, at times, inconsistency’ in trade mark law.¹⁶⁰ National courts dealing with design cases may also be fearful of kick-starting the cycle of further references which seems to be triggered once the CJ has spoken on an issue.¹⁶¹ It is also possible to speculate that appetite among rightholders to appeal Community design disputes may have been reduced for the same reasons, particularly among major rightholders with a large design portfolios the usefulness of which could be put at risk by an adverse ruling from the CJ.

¹⁵⁴ T. Headdon, ‘Community design right infringement: an emerging consensus or a different overall impression?’ E.I.P.R. 2007, 29(8), 336-339, p336.

¹⁵⁵ In the *Karen Millen* litigation, for example, although the whole dispute ran from 2007 to 2015, the preliminary reference was disposed of in a year – see the timeline in: D. Stone, ‘Justice delayed: Karen Millen’s 2007 design infringement case comes to an end’ E.I.P.R. 2015, 37(10), 617-622, p617. In 2012, the average processing time for a preliminary reference was at the shortest it had been since official records began: M. Broberg and N. Fenger, *Preliminary References to the European Court of Justice*, 2nd ed (Oxford: Oxford University Press, 2014), p23. See further the CJ annual reviews at http://curia.europa.eu/jcms/jcms/Jo2_7032/.

¹⁵⁶ Including in: Austria (J. Strobl, ‘Supreme Court dismisses design infringement action’ M.I.P. 2014, 236, 118-119; J. Strobl, ‘Design dispute over flower of life’ M.I.P. 2014, 238, 68); The Netherlands (A. Folliard-Monguiral and M. Miniotas, ‘Apple v Samsung: The Hoge Raad legacy’ J.I.P.L.P. 2013, 8(12), 925-931; Spain (J.A. Garcia-Zapata, ‘Spain: Supreme Court confirms the partial nullity of an RCD for a lollipop container’, Class 99 blog, 27 May 2014, <http://www.marques.org/class99>, accessed 21 December 2015); and in the UK (*Magmatic v PMS*, heard on 3 November 2015, now reported at [2016] Bus. L.R. 371).

¹⁵⁷ Stone, *European Union Design Law* (2012), para 11.118; J. Du Mont and M. Janis, ‘Functionality in Design Protection Systems’ Maurer School of Law Legal Studies Research Paper Series, Research Paper Number 210, 19 J. Intell. Prop. L. 261 (2012), p292.

¹⁵⁸ G. Dinwoodie, ‘The Europeanization of Trade Mark Law’ in Olhy and Pila (eds) *The Europeanization of Intellectual Property Law* (2013), pp99-100. See also: G. Dinwoodie, ‘Trade mark harmonisation - national courts and the European Court of Justice’ IIC 2010, 41(1), 1-3.

¹⁵⁹ S. Weatherill, ‘The Court’s Case Law on the Internal Market: ‘A Circumloquacious Statement of the Result, Rather than a Reason for Arriving at It?’ in M. Adams, H. de Waele, J. Meeusen and G. Straetmans (eds) *Judging Europe’s Judges - The Legitimacy of the Case Law of The European Court of Justice* (Oxford: Hart Publishing, 2013), p89.

¹⁶⁰ L. Brazell, ‘Egyptian Goddess Inc v Swisa Inc: Is design law in the US and EU converging? The Egyptian Goddess faces up to the snake’ E.I.P.R. 2009, 31(11), 576-581, p581.

¹⁶¹ J. Cornwell, ‘Keywords, Case Law and the Court of Justice: The Need for Legislative Intervention in Modernising European Trade Mark Law’ (2013) *International Review of Law, Computers and Technology* 271-2 85-103.

On top of this, the limited role taken by the CJ to date has been made even smaller by the Court's own approach to appeal admissibility. As outlined in section 3 above, the CJ has been notably reticent in taking on the matters arising in the few design appeals to date. Although the CJ's position in principle is not unlike that of the English Court of Appeal on its entitlement to re-open first instance findings,¹⁶² on the specifics of the appeals before the CJ there was, it was argued above, scope to intervene. The Court's 'hands-off' approach contrasts sharply with its interventionism in other fields of IP.¹⁶³ The CJ's apparently high level of attachment to the limitations of the technical niceties (or otherwise) of the appeal parties' pleadings also contrasts markedly with the readiness with which the Court is happy to reframe and rewrite the questions sent to it under the preliminary reference procedure, both to correct poorly drafted references and to allow the Court to shift the focus of the preliminary reference to where it feels the focus should be.¹⁶⁴ It seems highly undesirable to leave in the hands of the parties' pleadings the question of whether a major point of normative uncertainty in the EU design regime is properly ventilated before the CJ. One is left with an uneasy sense that, just as national courts and parties seem unwilling to take the CDR and DD to the CJ, so too – perhaps mindful of its own workload and the high level of trade mark appeals which reach it every year – the CJ itself is perhaps less than willing to get involved.

5.2 *Is the GC's case law up to the job? Legitimacy and influence between Community and national jurisdictions*

A situation in which the CJ takes a step back should be manageable, within the Community design appeal structure at least, if the GC is capable of stepping into the CJ's shoes. As section 4 above has demonstrated, however, there are major methodological difficulties with the GC's design case law. These raise serious questions as to whether the GC's case law is up to the job of serving as lead design jurisprudence at the EU level.

While the focus of most recent methodological commentary on IP matters has been criticism of the almost over-abundance of reasoning emanating from the CJ in its copyright case law,¹⁶⁵ the difficulties in the design field are, in essence, the opposite: to support the major design rulings of the GC there is, quite simply, no reasoning at all. Instead – even in case law innovating on, and conflicting with, the clear text of the CDR – there is an almost complete lack of justification to support the GC's interpretative choices. Indeed, not even the existence of those interpretative choices has been acknowledged by the GC. In its lack of reasoning, the GC's design jurisprudence seems to be aping some of the more controversial recent unreasoned trade marks jurisprudence from the CJ such as *L'Oréal v Bellure* – although that style of judgment is a more recent phenomenon in trade mark law, the Court having engaged in much fuller exercises of legal reasoning in its early trade mark decisions as the system matured.

¹⁶² For the English Court of Appeal to re-open first instance findings, the first instance judge must have erred on a point of principle: for example, *Samsung Electronics (UK) Ltd v Apple Inc* [2013] E.C.D.R. 2, [26].

¹⁶³ On trade mark law: G. Dinwoodie, 'The Europeanization of Trade Mark Law' in Olhy and Pila (eds) *The Europeanization of Intellectual Property Law* (2013); M. Senftleben, 'Adapting EU trademark law to new technologies: back to basics?' in Geiger (ed) *Constructing European Intellectual Property* (2013), p137. On copyright, the CJ's recent case law has attracted particular criticism for its deployment of principles such as the principle of the 'autonomous and uniform' interpretation of EU law to extend harmonisation beyond the remit of the relevant legislative texts: M. van Eechoud, 'Along the Road to Uniformity – Diverse Readings of the Court of Justice Judgments on Copyright Work, 3 (2012) JIPITEC, 1, 60-80; L. Bently, 'Harmonization by Stealth: Copyright and the ECJ' Fordham 20th Annual Intellectual Property Law & Policy Conference 2012 (available at: http://fordhamipconference.com/wp-content/uploads/2010/08/Bently_Harmonization.pdf, accessed 21 December 2015); E. Derclaye, 'The Court of Justice copyright case law: *quo vadis?*' E.I.P.R. 2014, 36(11), 716-723.

¹⁶⁴ J. Cornwell, 'Keywords, Case Law and the Court of Justice: The Need for Legislative Intervention in Modernising European Trade Mark Law' (2013) *International Review of Law, Computers and Technology* 271-2 85-103. See generally also: Broberg and Fenger, *Preliminary References* (2014), pp412-428.

¹⁶⁵ E. Derclaye, 'The Court of Justice copyright case law: *quo vadis?*' E.I.P.R. 2014, 36(11), 716-723. The deployment of so many different interpretative methods leads Derclaye to question whether, in the CJ's copyright case law, they are 'just a means to an end': p720.

As noted above, the CJ has also engaged in extensive reasoning in the design preliminary references decided to date.

One critique of the GC's design methodology which is shared, to a limited extent, with recently discerned tendencies for other IP rights is the GC's failure to refer to the *travaux*. Recent inconsistency by the CJ in its use of the *travaux* in its copyright case law - sometimes referring to the *travaux* and sometimes not, even where highly relevant - has met with criticism.¹⁶⁶ This has prompted a call for the CJ to clarify how it uses different interpretative techniques and, in particular, when and how it will deploy the historical method to interpret by reference to the *travaux*.¹⁶⁷ Although such clarification would be highly desirable, it is perhaps wishful: the CJ rarely expressly identifies its interpretational methods and, with obvious strategic benefits in terms of maximising judicial freedom, avoids fixing any hierarchy between different techniques.¹⁶⁸ In the meantime, GC's design case law provides a far worse case study than the CJ's copyright jurisprudence when it comes to apparent ambivalence to the *travaux*: in the GC's principal design rulings, the *travaux* have, quite simply, not been acknowledged at all. There is, furthermore, no other articulated process of reasoning in the GC's design case law, most notably no attempt at any kind of purposive interpretation, which might serve to justify the outcomes reached.

It has been noted in wider EU law commentary that the reasoning of the CJ can, at times, be 'superficial, creating an impression of inevitability, but in substance simply concealing choices'.¹⁶⁹ The GC's designs case law is a case in point: time after time, adopting a bald and declaratory tone the GC has presented its decisions as the result of compulsion, not choice. The GC has, in effect, cut 'second-order justification' (that is, the justification of choices between rival possible rulings) entirely out of its judgments on the most important interpretative issues.¹⁷⁰ This is despite a very great deal to consider in terms of the *travaux*, the purpose of the EU designs regime, both as a whole and at a more granular level, and the consequences of adopting different possible interpretations. At the same time, the GC's most recent case law in *Cezar* and *Group Nivelles* shows startlingly relaxed disregard for the text of the CDR. In its key case law, the GC has singularly failed to apply anything like the methodological standards required by *Rafael Hoteles* and more generally.

What are the consequences of this? While it is not the intention of this article to suggest that the CJ's reasoning in IP cases is perfect (far from it),¹⁷¹ the difficulties posed by poor reasoning in the GC's design case law are particularly acute.

¹⁶⁶ M. van Eechoud, 'Along the Road to Uniformity – Diverse Readings of the Court of Justice Judgments on Copyright Work', 3 (2012) JIPITEC, 1, 60-80, pp73-74; E. Derclaye, 'The Court of Justice copyright case law: quo vadis?' E.I.P.R. 2014, 36(11), 716-723, pp719-720. The CJ has also been criticised for a misreading of the *travaux* in *Flos*: L. Bently, 'The return of industrial copyright?' E.I.P.R. 2012, 34(10), 654-672, p660.

¹⁶⁷ E. Derclaye, 'The Court of Justice copyright case law: quo vadis?' E.I.P.R. 2014, 36(11), 716-723, pp722-723.

¹⁶⁸ Beck, *Legal Reasoning* (2012), p281; Conway *The Limits of Legal Reasoning* (2012), pp22, 24 and 26. Beck has argued that, overall, the CJ does not favour the historical method, thereby increasing its discretion: Beck, p217-219; G. Beck, 'The legal reasoning of the Court of Justice: a response to Michael Bobek' E.L. Rev 2014, 39(4), 579-581, footnote 6.

¹⁶⁹ Conway, *The Limits of Legal Reasoning* (2012), p272.

¹⁷⁰ N. MacCormick, *Legal Reasoning and Legal Theory* (Oxford: Oxford University Press, 1994), p101.

¹⁷¹ For example, the CJ's decisions in *Grupo Promer* and *Baena* have been criticised as unduly influenced by trade mark law: H. Hartwig, 'European Union: Council Regulation 6/2002, arts. 6, 61 - Herbert Neuman, Aldoni Galdeano del Sel, and Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Jose Manuel Baena Grupo SA' IIC 2013, 44(2), 248-254; P.G.F.A Geerts, 'The informed user in design law: what should he compare and how should he make the comparison?' E.I.P.R. 2014, 36(3), 181-185.

As Conway has noted, legal interpretative culture can contribute to uncertainty in the law.¹⁷² With this re-examination of the GC's case law revealing the court's near-total lack of reasoning, expectations about the importance of construing the CDR and DD purposively and with appropriate reference to the recitals and *travaux* are confounded. This poses intractable challenges in predicting or advising on how the GC's case law (and thus the approach which will be taken by OHIM, following GC authority) may develop: not only is the legal position substantively uncertain, but so too are the mechanisms by which that uncertainty will be resolved.

At the same time, the GC's apparently unconstrained sense of freedom to engage in *contra legem* interpretation makes it difficult to predict how far the court may in future again elect to innovate on the legislative regime. Quite aside from the obvious concern as to whether users are getting, in substantive terms, the design system expected and legislated for, it is now impossible to foresee how the GC will go about addressing major, still unresolved issues such as the interpretation of the Article 7(1) DD/8(1) CDR functionality exclusion. It is important to remember that designs are not subject to any meaningful examination before grant, yet carry patent-strength monopoly rights for up to 25 years. With, it seems, little prospect of the GC's rulings being re-examined by the CJ in the near future and with the certainty that there must be at least a 'relatively strong contingent' of invalidly registered designs in the system,¹⁷³ the additional layers of uncertainty arising from the GC's apparent disregard for the need for articulated legal reasoning may tip the balance of *de facto* legal power in favour of parties with the capacity tactically to exploit them during the conduct of design disputes.

Of course, these would be concerns also if it was the CJ which was the author of such poorly argued judgments. For the GC's case law, however, there are also further significant implications for the perceived legitimacy – and, thereby, the precedential status and influence – of the GC's design rulings.

Although there is no single common understanding of the concept of legitimacy, one approach is to distinguish 'substantive' from 'procedural' legitimacy – substantive legitimacy arising when rules or interpretations are perceived to embody the correct end or standard, and procedural legitimacy arising when a rule or interpretation arises from a rightful source of authority and comes into being in accordance with generally accepted due process.¹⁷⁴ The importance of formal legal reasoning to procedural legitimacy has been highlighted across legal fields.¹⁷⁵ As noted by Conway, the process of justifying decisions through dialectical legal reasoning – that is, the 'studied consideration of alternative possible interpretations' – requires a court to explain how one interpretation is preferable to another, thereby avoiding outcomes which resulting from subjective inclination.¹⁷⁶

Procedural legitimacy requires *inter alia* that judicial decisions be 'motivated in a way that they can be perceived as resulting from a proper judicial decision-making process', be bounded by 'an adequate judicial methodology of finding the law', should be coherent and provide for legal certainty in the sense that the law is interpreted and

¹⁷² Conway, *The Limits of Legal Reasoning* (2012), p115.

¹⁷³ Hasselblatt commentary in Hasselblatt (ed) *Community Design Regulation* (2015), p60.

¹⁷⁴ M. Adams, H. de Waele, J. Meeusen and G. Straetmans, 'Introduction: Judging Europe's Judges' pp4-5 and S. Weatherill, 'The Court's Case Law on the Internal Market: 'A Circumloquacious Statement of the Result, Rather than a Reason for Arriving at It?'' p87 in Adams et al (eds) *Judging Europe's Judges* (2013).

¹⁷⁵ For example: K. Lenaerts, 'The Court's Outer and Inner Selves: Exploring the External and Internal Legitimacy of the European Court of Justice' at p14; J. Mazák and M.K. Moser, 'Adjudication by Reference to General Principles of EU Law: A Second Look at the Mangold Case Law' at p66; and J. Snell, 'The Legitimacy of Free Movement Case Law: Process and Substance' at p110; all in Adams et al (eds) *Judging Europe's Judges* (2013). In the IP context, see: J. Pila, 'A Constitutionalized Doctrine of Precedent and the Marleasing Principle as Bases for a European Legal Methodology' in Olhy and Pila (eds) *The Europeanization of Intellectual Property Law* (2013), p250.

¹⁷⁶ Conway, *The Limits of Legal Reasoning* (2012), p161

applied in a way that remains 'reasonably predictable to participants in the legal interpretative community'.¹⁷⁷ The GC case law discussed in this article fails roundly when judged against these standards. This is not simply the cultural critique of a common lawyer: against the backdrop of such highly divergent prior national laws and bold new direction of the EU design regime, it was imperative that the early EU-level case law should make explicit (as the CJ's own early design case law has done) the underlying process of legal reasoning and justification for the chosen interpretation of the DD and CDR, if that case law was to function effectively in promoting consistency and harmonization of practice across Member States and between the national and Community levels.

In IP, the status required to perform that function does not come automatically to GC. While the GC's decisions, whatever their merits, will be directly binding on OHIM, they do not have the same *erga omnes* effect as judgments of the CJ vis-à-vis Member States' national courts.¹⁷⁸ National courts have been urged follow the GC's rulings on Community design matters.¹⁷⁹ However, lack of persuasive reasoning may create a perceived lack of procedural legitimacy. There is a real risk that, if the GC's judgments are of an insufficient quality, national courts may – quite understandably – disregard them in their own interpretation of the CDR and DD. This risks driving a wedge between the treatment of Community designs at OHIM (where the GC's case law must be followed) and the treatment of national and Community designs before Member States' national courts (where the GC's decisions may not even be mentioned, if the court so wishes).

In short: if it is important, as has been noted, for the CJ to ensure that its judgments are persuasive to ensure national court buy-in,¹⁸⁰ then that is doubly so for the GC: if the GC is to help, rather than hinder, the promotion of coherence between Community and national design systems, the GC needs to work even harder than the CJ for its judgments even to be accepted as persuasive, let alone authoritative, in the eyes of national courts. A quick snapshot review of the reception of GC case law by national courts suggests that the GC is not succeeding in this.

In the UK, from the GC's perspective there was a promising start: in *Dyson v Vax*, the first UK design decision coming only a matter of months after the GC's decisions in *Grupo Promer* and *Shenzhen*, Arnold J in the High Court immediately adopted and applied the GC's formulation of the 'informed user' to the exclusion of any mention on this issue of the then-leading (and high-profile) UK appeal court authority, *P&G v Reckitt Benckiser*.¹⁸¹ *Grupo Promer* and *Shenzhen* have been cited and applied by the English courts on the 'informed user' ever since, from 2012 onwards explicitly alongside the CJ's ruling in the *Grupo Promer* appeal.¹⁸² The English courts have also cited *Grupo Promer* and *Shenzhen* on other issues including the determination of the 'relevant product', relevance of the general design corpus to the comparison of competing designs, types of design constraint relevant to design freedom, and how design freedom impacts on the assessment of overall impression and scope of protection.¹⁸³

¹⁷⁷ J. Mazák, and M.K. Moser, 'Adjudication by Reference to General Principles of EU Law: A Second Look at the Mangold Case Law' in Adams et al (eds) *Judging Europe's Judges* (2013), pp66-67.

¹⁷⁸ On which see Broberg and Fenger, *Preliminary References* (2014), pp450-453.

¹⁷⁹ D. Stone, 'Transparency over the use of dotted lines?' J.I.P.L.P. 2013, 8(6), 437-440, p440.

¹⁸⁰ S. Weatherill, 'The Court's Case Law on the Internal Market: 'A Circumloquacious Statement of the Result, Rather than a Reason for Arriving at It?'' pp89-90 and J. Snell, 'The Legitimacy of Free Movement Case Law: Process and Substance' at p126, in Adams et al (eds) *Judging Europe's Judges* (2013).

¹⁸¹ *Dyson Ltd v Vax Ltd* [2010] E.C.D.R. 18, [19]-[20].

¹⁸² *Samsung Electronics (UK) Ltd v Apple Inc* [2013] E.C.D.R. 2, [12]. The CA noted that the decision of the CJ in the *Grupo Promer* appeal endorsed and maintained unaltered the earlier GC decision on the issue of the informed user. The Court of Appeal's ruling that it is correct to refer to both the GC's and CJ's rulings was highlighted by H.H.J. Birss QC in *Louwer-lite Limited v Harris Parts Limited* [2012] E.W.P.C.C. 53, [9].

¹⁸³ In particular: *Dyson Ltd v Vax Ltd* [2010] E.C.D.R. 18 at [22], [32]-[35] and [38] (on design constraints, that the High Court read the GC's judgment in *Grupo Promer* as including marketability and economic considerations as relevant); *Gimex International Groupe*

The weight accorded by the English courts to the GC's decisions in *Grupo Promer* and *Shenzhen* has, however, not been afforded to GC case law on other issues. A striking example of a very different attitude is their treatment of the GC's case law on the use of dotted lines in design representations. The use of dotted lines as a form of visual disclaimer is important in EU design regime, which explicitly permits registration of the design for *part* of a product while, at the same time, not including any provision for a determinative statement of novelty or similar which would perform the job of identifying the relevant part.¹⁸⁴ Dotted lines are therefore commonly used to denote aspects of a product for which design protection is *not* sought. In *Sphere Time*, the GC endorsed the practice on use and interpretation of dotted lines set out in OHIM's examination guidelines, holding that the elements shown in dotted lines in the contested design did not form part of the protected design.¹⁸⁵ The decision in *Sphere Time* was welcomed by commentators, and has been adopted in subsequent GC cases and by OHIM.¹⁸⁶

In marked contrast, however, *Sphere Time* has not been treated by the English courts as authoritative or even persuasive on this issue. In *Samsung v Apple*, the highest level UK case addressing the matter directly, *Sphere Time* was not mentioned by either the High Court or Court of Appeal. Both courts took the opposite approach to *Sphere Time*, holding that each design representation must be interpreted on its own merits and concluding, on the facts, that the key contested design feature shown in dotted lines (the border around the screen of the tablet, under the glass front surface – although not other elements shown in dotted lines) was a visible part of the protected Apple design.¹⁸⁷ In the more recent case of *Kohler Mira v Bristan*, HHJ Birss QC explicitly rejected the suggestion that *Sphere Time* should be treated as persuasive authority on the exclusion of dotted elements, saying:

‘... *Sphere Time* is simply a case in which that conclusion was reached. It does not purport to lay down any general principle on the issue’.¹⁸⁸

In substantive terms, this divergence between GC/OHIM and UK practice creates significant uncertainty - without knowing how his design representations will be interpreted, a design applicant cannot know how to depict his design when filing a design application; a person consulting the design register also cannot know what a

Import Export v Chill Bag Company Ltd and Others [2012] E.C.D.R. 25, [62]-[64]; *Samsung Electronics (UK) Ltd v Apple Inc* [2013] E.C.D.R. 1, [40]-[41] and [48] (on design constraints, the court noted uncertainties over the proper interpretation of the GC's decision in *Grupo Promer*, but concluded that it did not need to decide the issue - [41]); *Mainetti (UK) Limited v Hangerlogic UK Limited* [2012] E.W.P.C.C. 42, [22]; *Lower-lite Limited v Harris Parts Limited* [2012] E.W.P.C.C. 53, [11]; *Sealed Air Limited v Sharp Interpack Limited and Another* [2013] E.W.P.C.C. 23, [15]; *Magmatic Ltd v PMS International Ltd* [2013] E.C.C. 29, [48]-[49]; *Utopia Tableware Limited v BPP Marketing Limited* [2013] E.W.H.C. 3483 (IPEC), [80]-[83]; *Whitby Specialist Vehicles Limited v Yorkshire Specialist Vehicles Limited and Others* [2014] E.W.H.C. 4242 (Pat), [26].

¹⁸⁴ See: Vitoria et al, *Laddie, Prescott and Vitoria* (2011), para 54.10.

¹⁸⁵ *Sphere Time v OHIM, Punch SAS* (Case T-68/10) [2011] E.C.D.R. 20 at [58]-[64]. OHIM's examination guidelines stated that elements shown in dotted lines would be taken to indicate either that the dotted elements were not visible in the design view in question or that no protection was sought for them.

¹⁸⁶ Stone, *European Union Design Law* (2012), 16.113-16.116; D. Stone, 'Transparency over the use of dotted lines?' J.I.P.L.P. 2013, 8(6), 437-440, p439.

¹⁸⁷ *Samsung Electronics (UK) Ltd v Apple Inc* [2013] E.C.D.R. 1, [9]-[11]; *Samsung Electronics (UK) Ltd v Apple Inc* [2013] E.C.D.R. 2, [21]-[24]. It was held at first instance that the use of dotted lines for other features shown in the design drawings (sockets for connectors) 'clearly indicate[d]' that those features were not part of the protected design: *Samsung Electronics (UK) Ltd v Apple Inc* [2013] E.C.D.R. 1, [9]. The Court of Appeal's comments have been described as 'surprising': D. Smyth, 'How is the scope of protection of a registered Community design to be determined?' J.I.P.L.P. 2013, 8(4), 270-272, p271.

¹⁸⁸ *Kohler Mira Ltd v Bristan Group Ltd* [2014] F.S.R. 1, [52]. On the facts, HHJ Birss QC concluded that, for one element shown in dashed lines (around the front face of the representation of the shower control unit design), the dashed lines indicated that the face was transparent or translucent: [29]. For the other element shown in dotted lines (control knobs), the dotted lines were intended to indicate that no protection was sought: [55].

protected design actually comprises.¹⁸⁹ The *Samsung v Apple* dispute provides a case in point: some months after the English courts' decisions, OHIM's Invalidity Division (explicitly following the GC in *Sphere Time*) adopted directly the opposite interpretation of Apple's registered Community design, holding that the elements shown in dotted lines including the border around the screen did not form part of the Apple design.¹⁹⁰ As a result, the very same registered Community design has been interpreted in two fundamentally contradictory ways: whether Apple's design does or does not include the border depends not on anything to do with the design, but on the forum before which the point is being argued.

Going beyond the substance of this particular issue, *Samsung* and *Kobler Mira* are suggestive of a wider possible ambivalence to the perceived status of GC jurisprudence. As indicated in section 4 above, the English courts have taken quite different approaches to the GC on a number of important issues. Cases in other jurisdictions suggest that other national courts may also be declining to follow, or simply ignoring, the GC on various matters. In the Dutch *Samsung v Apple* litigation, for example, the Gerechtshof te 's-Gravenhage declined to follow *Sphere Time* on the use of dotted lines.¹⁹¹ In the same litigation, the Dutch Supreme Court concluded that individual character should be assessed against the prior art taken collectively rather than individually, thereby either disagreeing with or ignoring the GC's ruling in *Shenzhen* that the comparison with the prior art should be on an individual design-by-design basis.¹⁹² To have made its reference to the CJ on the same issue, the Irish Supreme Court, originator of the *Karen Millen* preliminary reference, must also either have been unpersuaded by or must have disregarded as insufficiently authoritative the GC's much earlier ruling on the point in *Shenzhen*.¹⁹³

It is beyond the scope of this article to review the reception of GC case law by national courts comprehensively. However, this very brief snapshot of mixed response to GC case law at the national level is suggestive of divergence in how GC case law is treated before OHIM, where the GC's rulings are binding, and before national tribunals, where they are not. It also gives rise to its own, further system-level unpredictability for commentators and practitioners. The strong inference is that national courts will cite GC case law only when it is perceived by them to be *substantively* legitimate – that is, where the national court perceives the GC as having come to the 'right answer' on the legal issue in suit. However, where (rightly or wrongly) the national court disagrees on the substance of the ruling, the GC's indeterminate precedential status and the lack of *procedural* legitimacy underpinning its judgments combine to offer the national court considerable leeway simply to ignore or disregard the GC's rulings. If this inference is correct then it becomes impossible to predict the likely reception which GC decisions will be given by national courts unless it is also possible to predict whether the national court will agree on the substance or not.

5.4 Institutional shortcomings and constraints

It is not the intention of this article to argue that national courts must necessarily defer to the GC, or that the GC should be taken to have hierarchical precedence among the plurality of national courts involved in the interpretation and application of the CDR and DD. It is also not intended to suggest that national courts play a less important role than the GC in the 'Europeanisation' of design law. National case law, certainly in the UK at least, is many respects well ahead of the EU-level case law in getting to grips with the detail and complexities of the

¹⁸⁹ See further: D. Smyth, 'How is the scope of protection of a registered Community design to be determined?' J.I.P.L.P. 2013, 8(4), 270-272; D. Stone, 'Transparency over the use of dotted lines?' J.I.P.L.P. 2013, 8(6), 437-440.

¹⁹⁰ Decision of OHIM Invalidity Division, 5 July 2013, ICD 8539, on Community design no. 000181607-0001.

¹⁹¹ Stone, *European Union Design Law* (2012), para 22.82, criticising the Dutch court's attempts to distinguish *Sphere Time*.

¹⁹² A. Folliard-Monguiral and M. Miniotas, 'Apple v Samsung: The Hoge Raad legacy' J.I.P.L.P. 2013, 8(12), 925-931, although it is not indicated whether the Dutch Supreme Court made any reference to *Shenzhen*.

¹⁹³ Note that the Supreme Court decision to refer is not published.

CDR and DD. A process of harmonization achieved among and between Member State national courts has much to commend it. It is, however, the view of this author that the GC bears a responsibility to ensure that its judgments are of sufficient quality – in terms of the substantive decision reached and the supporting methodology applied – both to provide proper direction to OHIM and to contribute to the process of design harmonisation.

What is particularly damning about its poor handling of the issues discussed at section 4 above that the GC is not incapable of engaging in a fully-articulated process of reasoning when it so wishes. *Grupo Promer* itself is a good example of the GC's inconsistent practices. Despite offering no reasoning at all to justify its conclusions on key questions over the informed user, design freedom, overall impression and other matters discussed above, on other, far more straightforward issues the General Court was more than able to set out a fully-reasoned position, using a range of different interpretative techniques.¹⁹⁴ Further decisions on other, much simpler design issues have also shown the General Court more than capable of using different modes of interpretation and setting out a reasoned justification for its conclusions.¹⁹⁵

Why, then, has the GC been so unable to deploy these interpretative techniques and to state its reasons on the most important issues to have come before it? Those issues were not straightforward, and the CDR and DD are not always as well drafted as they could have been. With so little by way of common understanding at an international level on the purpose of design protection, there was also no international consensus or pre-harmonisation case law from the CJ to draw from as there was, for example, with the CJ's early 'essential function' jurisprudence in trade mark law.¹⁹⁶ On the other hand, as explained above there was ample material in the *travaux préparatoires* to guide the GC on the legislators' intentions on a number of issues, and to help discern purposively the underlying objectives of the CDR and DD. There was also no shortage of commentary and parallel national case law to help crystallise the issues which the court needed to address.

Given this, a question which has to be asked is whether the GC is simply institutionally unable to deal with more difficult design law questions. The lack of reasoning in the GC's judgments goes far beyond the limitations imposed by the collegiality of the GC's single-judgment system. In organizational terms, there seems to have been

¹⁹⁴ On the (ir)relevance of bad faith as a ground for invalidity and the exhaustiveness of the grounds for invalidation at Article 25(1) CDR, the GC took a literal approach: *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc (intervener)* (Case T-9/07) [2010] E.C.D.R. 7, [30]. To determine the meaning of the words 'in conflict with' at Article 25(1)(d) CDR, the GC combined a schematic assessment of Articles 25(1)(d) and other provisions of the CDR and DD with a consequentialist assessment of the impact of the possible different interpretations: [47]-[53]. On identifying the relevant 'product', the GC took a schematic approach: [55]-[56].

¹⁹⁵ In *Beifa* the General Court was called upon to interpret what was meant by the reference to a distinctive sign being 'used' in a contested design for the purposes of Article 25(1)(e) CDR. Concluding that this extended to a situation in which the contested design was similar (not just identical) to the earlier mark relied upon, the General Court reasoned by reference to a literal reading of Article 25(1)(e), the recitals to the CDR, the provisions of and need for compatibility with the EU trade marks regime, the consequences of the different possible interpretations and the EU legislature's intentions: *Beifa Group Co Ltd v OHIM, Schwan-Stabilo Schwanhäusser GmbH & Co. KG* (Case T-148/08) [2010] E.T.M.R. 42, [50]-[59]. In *Sphere Time*, the General Court dealt a dispute over the application of the Article 7(2) CDR grace period: although self-evidently not engaged on the facts, the GC nonetheless examined purposively the objectives of Art 7(2) to determine its applicability: *Sphere Time v OHIM, Punch SAS* (Case T-68/10) [2011] E.C.D.R. 20, [24]-[29]. In *Erich Kastenholz*, the Court rejected the argument that a design could not be granted which copied an earlier idea: the GC drew schematically and purposively from Articles 1 and 3 CDR, holding that they made it apparent that the law was intended to protect the appearance of the whole or part of a product, but not the abstract idea behind a design: *Erich Kastenholz v OHIM, Qwatchme A/S (intervener)* (Case T-68/11, 6 June 2013, unreported), [72].

¹⁹⁶ The CJ's three pre-harmonisation designs decisions (*Keurkoop BV v Nancy Kean Gifts BV* (Case 144/81) [1983] F.S.R. 381; *Volvo AB v Erik Veng (UK) Ltd* (Case 238/87) [1989] 4 C.M.L.R. 122; *Renault* (Case 53/87) [1990] 4 C.M.L.R. 265) say little about rationales for design protection. This contrasts sharply with the Court's development of the concept of the 'essential function' of a trade mark in early free movement cases, many years before the Trade Mark Directive and Community Trade Mark Regulation. See further: I. Simon, 'How does "essential function" doctrine drive European mark trade law?' IIC 2005, 36(4), 401-420; and M. Senftleben, 'Adapting EU trademark law to new technologies: back to basics?' in Geiger (ed) *Constructing European Intellectual Property* (2013), pp137-140, referring to the 'clear conceptual contours of traditional trademark protection against confusion'. C.f. G. Dinwoodie, 'The Europeanization of Trade Mark Law' in Olhy and Pila (eds) *The Europeanization of Intellectual Property Law* (2013), p96 arguing that there was not any 'real European history' on trade mark law.

little appreciation of the impending challenges of handling a completely new and unprecedented IP regime. Presumably applying the GC's usual strict rotational allocation of work, its design cases have been scattered across a host of chambers; exacerbated by the GC's often poor handling of case law which it wishes to characterise as precedent and with a noted tendency of each chamber simply not to refer to decisions of the others, the result has been that the case law 'appears to consist of separate pieces of a puzzle, rather than as a coherent whole'.¹⁹⁷ No lessons appear to have been learned from the special case management arrangements instituted for the early years of the CTM regime. From the first CTM cases through to around 2003, in order to achieve consistency in the early case law all CTM cases were allocated to two GC chambers appointed to specialise in trade mark matters; those specialist chambers were also supported by a 'task force' of three IP-specialist referendaires.¹⁹⁸ It would have been beneficial to follow a similar practice of case allocation in the early years of the Community design system.

The GC's standard *modus operandi* – cases determined by 3-judge chambers without the support of an Advocate-General – is also not particularly conducive to the airing, and resolution, of major new interpretative issues of the kind facing a completely new IP regime. It is worth remembering that early trade mark cases were treated with special significance by the CJ: in 1999, all but one of its trade mark preliminary references were heard by the full Court.¹⁹⁹ In contrast, the GC's design cases have only ever been decided by its standard 3-judge chambers. At the same time, the GC's design decisions have also been denuded of the wider and deeper discussion which an Advocate-General's opinion would have afforded. While the Advocate-General may not always get it right,²⁰⁰ in the CJ design cases in which Advocate-Generals' opinions have been given, they have undoubtedly offered deeper and richer insights into the EU design regime.²⁰¹ Of course, reflecting the view at the time of the GC's formation that the GC would be focused on cases with complex facts while CJ concentrated on 'the fundamental task of ensuring uniform interpretation of Community law',²⁰² there is no provision for GC chambers to be assisted as a matter of course by an Advocate-General. As we have seen, however, in the design context the GC's and CJ's roles have effectively been reversed. Concerns over CJ case law decided without an Advocate-General have been noted

¹⁹⁷ H. Hartwig, 'Community design law: further guidance from the General Court of the European Union' J.I.P.L.P. 2013, 8(11), 862-867, pp865-866.

¹⁹⁸ K. Laenerts, 'Le Tribunal de première instance des Communautés Européennes: regard sur une décennie d'activités et sur l'apport du double degré d'instance au droit Communautaire' Cahiers de Droit Européen 2000, 36(3-4), 323-412, pp335-336 and pp344-346; P. Mengozzi, 'Le contrôle des décisions de l'OHMI par le Tribunal de première instance et la Cour de Justice dans le contentieux relative aux droits de la propriété industrielle' Revue du Droit de l'Union Européenne 2002, 2(1), 315-333, p320.

¹⁹⁹ P. Dyrberg, 'What should the Court of Justice be doing?' E.L. Rev. 2001, 26(3), 291-300, p297.

²⁰⁰ See for example, P.G.F.A. Geerts, 'The informed user in design law: what should he compare and how should he make the comparison?' E.I.P.R. 2014, 36(3), 181-185, suggesting that the CJEU in *Grupo Promer* was 'put on the wrong track' (p183) by the AG on the issues of direct vs indirect comparison and whether it is permissible to make a comparison with actual goods.

²⁰¹ For example, in *FELA* Advocate-General Mengozzi outlined usefully the rationale for employee-employer IP ownership provisions which appear commonly in national and international laws, and the inaptness of applying those rules by analogy to other scenarios such as a commission: *Fundación española para la innovación de la Artesanía (FELA) v Cul de Sac Espacio Creativo SL* (Case C-32/08) [2009] E.C.D.R. 19. In *Celaya*, he discussed in detail the shortcomings of the 'expeditious' registration procedure for Community designs and 'particularly high risk of abuse' of that procedure, as well as issues surrounding the competing requirements of legal certainty and the potential for abuse of the CDR system were holders of later-registered designs to be immune from infringement actions: *Celaya Emparanza y Galdos Internacional SA (CEGASA) v Proyectos Integrales de Balizamientos SL* (Case C-488/10) [2012] E.C.D.R. 17. In the *Grupo Promer* appeal, Advocate-General Mengozzi analysed the concept of 'design freedom' and, drawing from the *travaux*, explained why, in his view, only functional design constraints should be taken into account: *PepsiCo, Inc v Grupo Promer Mon Graphic SA* [2012] F.S.R. 5. In *Gautzsch Großhandel*, the AG usefully explained the *travaux* and background to the Art 7(1) prior art carve-out, as well as referring to national case law and academic literature on the CDR's disclosure provisions: *H Gautzsch Großhandel GmbH & Co KG v Münchener Boulevard Möbel Joseph Duma GmbH* (Case C-479/12) [2014] E.C.D.R. 14.

²⁰² T. Millett, *The Court of First Instance of the European Communities* (London: Butterworths, 1990), p8; N. Forwood, 'The Court of First Instance, its Development, and Future Role in the Legal Architecture of the European Union' in Arnall, A., Eeckhout, P. and Tridimas, T. (eds) *Continuity and Change in EU Law: Essays in Honour of Sir Francis Jacob* (Oxford: Oxford University Press, 2008), p37.

in other IP contexts.²⁰³ Sharpston has also emphasised importance of the Advocate-General to the CJ in developing the law, both to allow more detailed reasoning than may be possible in a collegiate judgment and, more practically, to assist where the parties pleadings or submissions are inadequate and in avoiding inadvertent divergence of decisions.²⁰⁴ With no other case management steps having been taken in readiness for the arrival of the GC's first design cases, it is unfortunate that breaking from standard procedure to appoint an Advocate-General also seems not to have been considered even if only for the earliest, selected designs cases at the GC.

Of course, none of the ways in which the institutional readiness of the GC could have been improved - directing cases to designated chambers, using 5-judge chambers, appointing a GC judge as an Advocate-General - would have been simple to implement in practice given the GC's well-known and long-standing workload difficulties. While pending proposals to appoint extra judges to the GC have become bogged down in disagreement over the method of their appointment, the GC's already severe workload problems have continued.²⁰⁵ These workload issues offer another potential explanation for the poor quality of reasoning from the GC in so many of its design decisions. It seems unlikely, however, that design law will be acknowledged as a casualty of the GC's workload crisis - quite the opposite, since the ever-growing number of IP cases coming before the court is generally perceived as one of the major causes of the GC's difficulties.²⁰⁶

As a result, IP actions have been singled out for procedural simplification. In 2013, the GC was given the power to dispense with the oral procedure in certain IP cases, a power then only otherwise available in relation to appeals from the EU Civil Service Tribunal.²⁰⁷ In 2015, the written procedure in IP cases was reduced to a single exchange of pleadings, pleading page limits were cut and, perhaps of most concern for the still-evolving EU design law, IP actions added to the list of categories of case which can be decided by a single judge, something which had previously been explicitly prohibited for IP disputes.²⁰⁸ The inclusion of IP cases in the list of actions which can be heard by a single judge is not subject to the precondition (specifically included for certain other categories of case) that the issues in suit have been 'already clarified by established case-law'.²⁰⁹

This process of procedural simplification must, it is submitted here, increase the concern that design cases raising new and difficult issues will not be adequately addressed by the GC. Although GC's Rules of Procedure only permit allocation of cases to a single judge where they are suitable for being so heard by reason of 'the lack of

²⁰³ E. Rosati, 'Luxembourg, we have a problem: where have the Advocates General gone?' J.I.P.L.P. 2014, 9(8), 619. Even with its procedural rules now enabling the CJ to proceed without an Advocate-General's opinion in certain cases, an opinion should nonetheless be sought when a case raises a new question of law: E. Sharpston, 'The Changing Role of the Advocate-General' in Arnall et al (eds) *Continuity and Change* (2008), p26.

²⁰⁴ E. Sharpston, 'The Changing Role of the Advocate-General' in Arnall et al (eds) *Continuity and Change* (2008), pp22-23 (endorsing previous comments from Sir Francis Jacobs) and pp32-33.

²⁰⁵ See further: D. Hadroušek and M. Smolek, 'Solving the European Union's General Court' E.L. Rev. 2015, 40(2), 188-206.

²⁰⁶ In the period from 2000 to 2010, the number of new IP cases commenced at the GC each year increased from 34 to 207: Court of Justice proposal under Art 281 TFEU for amendment to the Statute of the Court of Justice (28 March 2011) attached to European Council Document 8787/11, interinstitutional file 2011/0901 (COD), Annex 2. Since 2010, the GC's IP case load has continued to rise, with IP cases consistently amounting to between 30 to 40% of new GC cases each year and reaching a total of 295 new IP cases commenced before the GC in 2014: Court of Justice Annual Reports 2010-2014 (note 155 above). See also: D. Hadroušek, and M. Smolek, 'Solving the European Union's General Court' E.L. Rev. 2015, 40(2), 188-206, pp201-203.

²⁰⁷ Article 135a, General Court Rules of Procedure of 2 May 1991 as last modified on 19 June 2013 (http://curia.europa.eu/jcms/upload/docs/application/pdf/2008-09/txt7_2008-09-25_14-08-6_431.pdf, accessed 21 December 2015).

²⁰⁸ Rules of Procedure of the General Court 23 April 2015, OJ L105, Recitals 3, 7 and 8 and Articles 14, 29, 181, 186 and 189; Practice Rules for the Implementation of the Rules of Procedure of the General Court 18 June 2015, OJ L152, Part IV, point A.2.

²⁰⁹ See by way of contrast 2015 Rules of Procedure, Article 29(1)(b).

difficulty of the questions of law or fact raised, ... the limited importance of those cases and... the absence of other special circumstances',²¹⁰ nothing in the GC's handling of designs cases to date engenders confidence that the GC will correctly identify the difficulty or importance of its designs appeals, even those raising really difficult outstanding questions such as the Art 7(1)/8(1) functionality exclusion. Quite aside from the reported unpopularity of IP work among GC judges,²¹¹ there is evidence of a sense among GC judges that Community rightholders may be unduly privileged in the extent of their access to the EU-level courts.²¹² With the GC's CTM caseload frequently dismissed by EU actors and non-IP commentators as repetitive and unchallenging,²¹³ there is considerable danger that design cases will be regarded the same way, without appreciation of the very different developmental stage at which the EU designs project finds itself. There is already evidence suggesting that that is how design cases are regarded within the GC, a former GC judge writing in 2011 of the GC's trade marks and designs cases together that '[t]he systematic implications are very limited' and that '[t]he case-law is widely settled'.²¹⁴ At least far as designs are concerned, these statements could hardly have been less accurate.

To generalise from the CTM experience to the new EU design regime in this way is suggestive of a significant lack of awareness as to the role which the GC is currently playing in the Community design regime and of the complexities of and challenges posed by the CDR and DD. There are, it is submitted here, real grounds to be concerned that the quality and depth of the GC's design jurisprudence may continue to suffer as a result both of the GC's workload and the procedural reforms that have been introduced specifically to push IP cases as quickly as possible through the system.

When implemented, the proposed increase in judicial personnel at the GC is intended to be coupled with more by way of chamber specialisation. The European Council has noted that these measures will mean that the GC will be able to 'improve the depth of its deliberations' by deciding cases more often in 5-judge Chambers and, where necessary, by calling upon GC members to act as an Advocate-General.²¹⁵ It is to be hoped that the GC will take up these options in future design cases as appropriate to the challenges and complexities which they pose. In the meantime, the designs experience has highlighted the problems of relying, formally or otherwise, on the GC as the lead interpretative court for IP matters at an EU level. There have from time to time been calls for the transfer to the GC under Article 256(3) TFEU of jurisdiction for dealing with trade mark preliminary references (calls which would presumably also now encompass design references as well) and for the creation under Article 257 TFEU of a specialised IP tribunal, sitting below the GC and with the GC as its appellate jurisdiction, to deal with CTM and other IP appeals. The experience with design law to date must surely militate against such a move. While there is considerable attraction in increasing the domain expertise of judges adjudicating IP disputes at the EU level, within any such revised court and appeal structure the scope for ultimate recourse from the GC to the CJ would be

²¹⁰ 2015 Rules of Procedure, Article 29(1).

²¹¹ In the early period of specialist CTM chambers, the resulting focus on trade marks was reportedly unpopular among GC judges: House of Lords European Union Committee, 'The Workload of the Court of Justice of the European Union' 14th Report of Session 2010-2011, HL Paper 128 (6 April 2011) (<http://www.publications.parliament.uk/pa/ld201011/ldselect/ldcom/128/12802.htm>, accessed 21 December 2015), p34.

²¹² With appeals available as of right to the OHIM Boards of Appeal, GC and CJ, a GC judge has commented '[a]pplicants for trademarks have become incredibly protected citizens': Dehousse, F., 'The Reform of the EU Courts – The Need of a Management Approach' Egmont Papers (20 December 2011) (<http://www.egmontinstitute.be/wp-content/uploads/2013/09/ep53.pdf>, accessed 21 December 2015), p16.

²¹³ For example: Court of Justice proposal under Art 281 TFEU for amendment to the Statute of the Court of Justice (28 March 2011) attached to European Council Document 8787/11, interinstitutional file 2011/0901 (COD), Section II, p8 ('[r]epetitive cases which can be dealt with relatively quickly').

²¹⁴ Dehousse, F., 'The Reform of the EU Courts – The Need of a Management Approach' Egmont Papers (20 December 2011) (<http://www.egmontinstitute.be/wp-content/uploads/2013/09/ep53.pdf>, accessed 21 December 2015), p22.

²¹⁵ European Council Statement of Reasons on its position on amendment of the Statute of the Court of Justice (24 June 2015), document 9375/1/15, interinstitutional file 2011/0901B (COD), para 14.

extremely limited (much more so than currently), appeal to the CJ only being available in exceptional circumstances, a consideration which the CJ itself has previously viewed as being of concern.²¹⁶ In view of the difficulties demonstrated here which the GC has faced in responding adequately to the challenges of interpreting the CDR and DD, it seems highly undesirable that the GC should be more widely positioned, *de facto* or otherwise, as a court of last resort for any IP matters at the EU level unless and until it has demonstrated sustained and clearly improved performance in its handling of new IP issues and the related legal interpretative challenges.

6 Conclusion

As we have seen in this article, with minimal design case law reaching the CJ by preliminary reference or appeal, there has been a major role reversal between the EU level courts in interpreting the CDR and DD. On close examination, however, GC's case law on the most important issues before it has been shown to be seriously wanting. The GC's near-total lack of formal legal reasoning has led the court into substantive confusion on important issues and into significant divergence from the scheme of protection intended by the EU legislators.

In institutional terms, the GC must recognise that it is currently - and for the foreseeable future looks set to remain - the lead EU-level court dealing with designs. In judicial methodological terms, the GC also urgently needs to raise its game. With some evidence that national courts may be picking and choosing the extent to which they acknowledge or follow GC case law, the lack of procedural legitimacy created by the GC's lack of reasoning risks division between the Community and national levels in the EU design system. With the GC's lack of *erga omnes* authority and indeterminate precedential status, the court needs to step up very considerably the rigour and persuasiveness of its reasoning if it is to work towards contributing to coherence between the Community and national design jurisdictions, rather than driving a wedge between these two levels in the EU design regime.

While the signs to date are not auspicious, it is to be hoped that the GC will form a better appreciation of the role it is playing, particularly within the Community design system, and will organise itself and act accordingly. Ultimately, a well-functioning GC could even be better placed than the CJ to promote EU design harmonization in practice. In not only interpreting the law but also applying the law to the facts, well-articulated and reasoned GC decisions have the potential to offer even more useful case law examples for national courts to consider in their own deliberations. For this stage ever to be reached, however, the quality and procedural legitimacy of the GC's output must be very dramatically improved.

²¹⁶ Court of Justice proposal under Art 281 TFEU for amendment to the Statute of the Court of Justice (28 March 2011) p10. See also Articles 256(2) TFEU and 256(3) TFEU on the right of appeal from the GC to the CJ in any such new court structure and allocation of competences: 'Decisions given by the General Court... may exceptionally be subject to review by the Court of Justice... where there is a serious risk of the unity or consistency of Union law being affected.'